



V. 6, Issue 1, December 2011/January - April 2012

## MC&I(Natural Forest) - Main Changes and Transition Period

Following its finalisation and adoption by the multi-stakeholder Standards Review Committee (SRC) on September 2011, the MC&I(Natural Forest) has subsequently been adopted by the MTCC Board of Trustees as the new forest management certification standard for the MTCS, during the 49th Meeting of the Board held on 6 December 2011.

In general, there is no structural changes when comparing the MC&I(Natural Forest) with the MC&I(2002). The MC&I(Natural Forest) contains one additional indicator i.e. 9 Principles, 47 Criteria and 97 Indicators, as compared to the 9 Principles, 47 Criteria and 96 Indicators of the MC&I(2002). The main changes are related to:

- i. the inclusion of new or additional national/state laws and policies and international agreements/protocols under Principle 1.
- ii. the merging of three separate pairs of Indicators, **2.3.1 and 2.3.2** (*Availability of appropriate mechanisms to resolve disputes over tenure and use rights*), Indicators **6.7.1 and 6.7.2** (*Oil, fuel, tyres, containers, liquid and solid non-organic wastes, shall be disposed of in an environmentally appropriate and legal manner*), Indicators **6.9.1 and 6.9.2** (*Document, control and monitor on the use of exotic species to avoid adverse ecological impacts. Preference shall be given to native species in enrichment planting*)
- iii. The inclusion of four new Indicators: **Indicator 3.2.2** (*Actions shall be taken to prevent or mitigate adverse impacts*), **Indicator 4.3.3** (*The right of workers to benefits and protection is assured under applicable laws and/or regulations*), **Indicator 5.3.3** (*Regular training shall be conducted for the staff on techniques of reduced-impact logging*) and **Indicator 6.6.1** (*Availability of management policy on environmentally friendly non-chemical methods of pest management*)
- iv. the inclusion of a threshold quantifying the “*very limited portion of the FMU*” for the conversion of natural forest to forest plantations and other land uses under Indicator 6.10.1
- v. The deletion of the reference to Forest Stewardship Council (FSC) as the standard is now no longer fully based on the FSC Principles and Criteria (P&C) as the template
- vi. the term “*free and informed consent*” has been amended as “*free, prior and informed consent*” which is considered the correct terminology in line with the wording in the United Nations Declaration of Rights for Indigenous Peoples (UNDRIP)
- vii. the phrase “*PRFs for Peninsular Malaysia and forest management areas for Sabah and Sarawak*” has been generalized and shortened as “*FMU*”

The transition period for the change from the use of the MC&I(2002) to the MC&I(Natural Forest) is from **1 January 2012** to **31 May 2013**. This 17-month transition period encompasses six months for application which is by 1 July 2012 and 11 months for transition before the standard becomes mandatory with effect on 1 June 2013. Further information is available on MTCC’s website at [www.mtcc.com.my](http://www.mtcc.com.my)

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The Malaysian Timber Certification Scheme (MTCS) operated by MTCC is endorsed by the Programme for the Endorsement of Forest Certification (PEFC), currently the largest forest certification organization.



## Briefing Session on the MC&I(Natural Forest)



Briefing sessions in Kuantan, Kota Bharu & Sungai Petani (top) and Seremban (bottom right); Y. Bhg. Dato' Dr Abdul Rahman, Director General FDPM giving his opening remarks during briefing session in Seremban (bottom left)

Following the adoption of the MC&I(Natural Forest), MTCC has conducted a series of briefing sessions on the requirements of the MC&I(Natural Forest) beginning with the senior forest officers, forest rangers and foresters from the State Forestry Departments in Peninsular Malaysia. The briefing sessions were held for the southern zone (in Seremban), eastern zone (in Kota Bharu), northern zone (in Sungai Petani) and central zone (in Kuantan) on 3-4 April, 9-10 April, 17-18 April and 24-25 April 2012 respectively.

The aim of the briefing session was to inform the FMU managers and their staff regarding the implementation of the MC&I(Natural Forest), the transition period of 17-months from 1 January 2012 to 31 May 2013, the activities during the transition period and the main changes in the MC&I(Natural Forest) compared to the MC&I(2002). Further briefing sessions for FMU managers in Sabah and Sarawak have been scheduled in May 2012.

## Capacity Building For CoC Certification under the MTCS

In order to boost the supply and export of certified timber products, the Malaysian Timber Industry Board (MTIB) has embarked on a two-year project funded under the Timber Industry Development Levy Fund entitled "Capacity Building for Compliance with the Requirements for Chain of Custody Certification under MTCS" to encourage and assist timber companies to obtain certification.

Under the project that started in August 2011, six briefing sessions for companies manufacturing and exporting timber products have been conducted since November 2011 in Kuala Lumpur, Ipoh, Batu Pahat, Kota Bharu, Kuala Terengganu and Temerloh. The briefing sessions covered overall information pertaining to the project presented by MTIB; the requirements for legal and sustainable timber in the global

market presented by MTC; and details on obtaining PEFC CoC certification under the MTCS presented by MTCC.

A total of 70 timber companies attended the briefing sessions, of which 15 have subsequently applied for assistance under this project to gear themselves to obtain PEFC CoC certification under the MTCS.

In addition, a two-day training workshop was conducted on 29 February-1 March 2012 for potential consultants interested in undertaking consultancy work to assist the companies in becoming certified. The scope of the training covered the overall project implementation presented by MTIB; the

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manufacturing processes of sawmills and plywood mills presented by the timber associations (i.e. MWIA and MPMA respectively); and a presentation by MTCC on the requirements of the PEFC CoC standard as well as the auditing process under the MTCS. The training workshop was attended by 28 potential consultants from all over the country.

Timber companies that participate in this project will be provided with incentives in the form of financial assistance to meet the cost of consultancy up to a maximum sum of RM5,000 and reimbursement of 60% of the total auditing cost or a maximum of RM6,000, whichever is lower, to achieve CoC certification.

The consultancy services provided under this project will assist the company in the preparation of the necessary documents such as the standard operating procedures (SOP), internal audit and management review reports that are needed by the company to comply with the CoC requirements for certification under the MTCS. The consultant will also provide training to the company's staff.

Those who are interested in participating in this project (consultants/independent auditors/timber companies) can contact Ms. Umami Ainul at email: [ummiainul@mtib.gov.my](mailto:ummiainul@mtib.gov.my) or tel no: 03-9282 2235 to obtain more information.



Participants during the consultancy training workshop (top); Harnarinder Singh giving briefing to the timber companies (bottom)

Photos courtesy of MTIB

## Engaging with Malaysian Architects

The Malaysian Institute of Architects (Pertubuhan Arkitek Malaysia – PAM) recently organized a CPD (Continuing Professional Development) Talk on *Certifying Timber Products under the PEFC System* for its members.

PAM organises CPD Talks twice a month with the objective to maintain, enhance or increase the knowledge and skills of architects to ensure that their knowledge and ability continue to be relevant to the needs of society.

The Talk which was co-hosted by APP Timber and PEFC was held on 23 April 2012 in Kuala Lumpur. The Talk featured three speakers from PEFC, MTCC and APP Timber. The focus of the Talk was to introduce timber certification under the PEFC system to deliver sustainable wood materials, the MTCS in Malaysia as one of the PEFC endorsed schemes and its certificate holders who are able to supply PEFC-certified timber products, as well as on APP Timber as a leading supplier of certified timber products to Malaysian users.

The Talk was attended by about 40 participants and has provided a good platform for information dissemination especially on the availability of PEFC-certified timber products in Malaysia.



Speakers: Sarah Price, PEFC Council, Harnarinder Singh, MTCC and Michael Hermens, APP Timber respectively (top); Participants during the Talk (bottom)

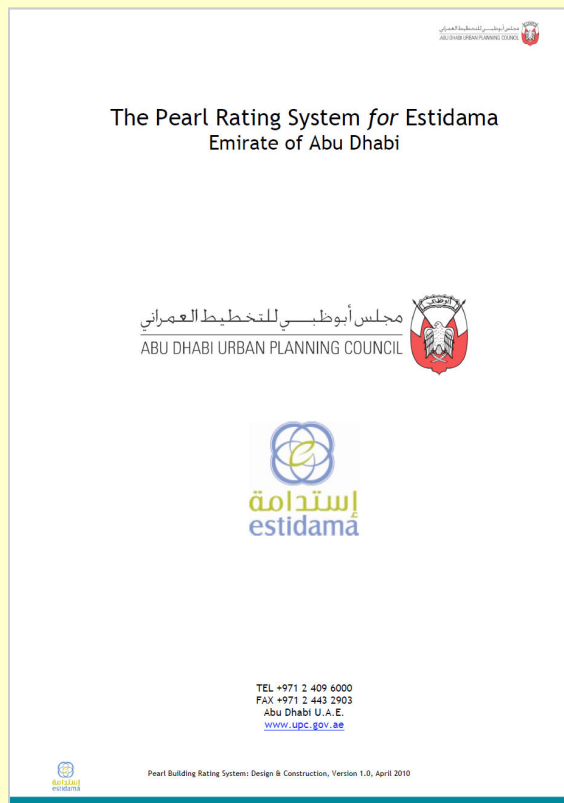
## Promotion of MTCS in the Middle East



*Harnarinder Singh attending to visitors during the Dubai Wood Show (left), and Meeting with the Dubai Municipality (right)*

MTCC participated in the Dubai Wood Show held on 3-5 April 2012 at the Dubai World Trade Centre (DWTC). MTCC's booth, together with the booths set up by the Malaysian Timber Council (MTC), Segamat Panel Boards Sdn. Bhd, Doormaster Industries Sdn. Bhd. and Professional Surfaces Sdn. Bhd., formed the Malaysia Pavilion at the exhibition covering a total floor space of 48 sq. m. MTCC's participation was part of its efforts to promote the MTCS and PEFC-certified timber products from Malaysia in the Middle East markets.

The feedback obtained shows that at this juncture, there is still not much awareness of timber certification and a minimal demand for certified timber products in many of the Middle East markets, and this was reflected by the majority of the visitors to the MTCC booth, which displayed information pertaining to timber certification, the MTCS, certified timber products available and export destinations, and PEFC endorsement of the scheme. Nevertheless, MTCC met up with a number of government agencies and timber product importers, including the Dubai Municipality (Building Studies Section) which controls licensing and issuance of building permits, the Society of Engineers, the Emirates Green Building Council, and five importers. Two of the companies are holders of both PEFC and FSC chain of custody certificates, and deal with certified timber imported from Europe and North America.



The Pearl Rating System *for* Estidama  
Emirate of Abu Dhabi

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Pearl Building Rating System: Design & Construction, Version 1.0, April 2010

### Recognition of MTCS by Abu Dhabi Urban Planning Council

The Pearl Rating System *for* Estidama published by the Abu Dhabi Urban Planning Council in April 2010 is one of Estidama's (which means 'sustainability' in Arabic) key initiatives for a model of sustainable urbanization.

Estidama is the first programme of its kind that is tailored to the Middle East region. Its aim is to create more sustainable communities, cities and global enterprises and to balance the four pillars of Estidama i.e. environmental, economic, cultural and social.

The Pearl Rating System for Estidama aims to address the sustainability of a given development throughout its lifecycle from design through construction to operation. The Pearl Rating System is organized into seven categories that are fundamental to more sustainable development.

One of the seven categories in the Rating System related to Stewarding Materials encourages the use of timber sourced from legal and sustainable sources. As a PEFC endorsed scheme, the MTCS, is listed as one of the acceptable schemes along with the Canadian Standards Association (CSA) and Sustainable Forestry Initiative (SFI).

Source: [www.upc.gov.ae](http://www.upc.gov.ae)

## PEFC NEWS

Source: PEFC Website - news update

### PEFC 15th General Assembly



The 15th General Assembly of the PEFC Council, held on 11 November in Montreux, Switzerland, was attended by 100 Members and Extraordinary Members, invited guests and members of the Board of Directors.

The report for 2010 by Ben Gunneberg, PEFC Secretary General, highlighted the increase of 16% (8,585) in the number of chain of custody certificates, the increase of 20% (12,086) in the number of companies covered, the increase of 6.5% (15 million ha) in the forest area certified, new members and new International Stakeholder Member applicants.

On the implementation of the PEFC marketing plan, he highlighted the

### PEFC Stakeholder Dialogue

Prior to the General Assembly, a PEFC Stakeholder Dialogue on 9 November, followed by a PEFC Members Meeting on 10 November were held. The Dialogue with the theme *Recognizing the Real Value of Forest Products in a Changing Climate*, was attended by about 100 representatives from a wide variety of organisations.

The keynote address for the Dialogue entitled *Contributions of the Forest Sector in a Green Economy* was presented by Professor Sten Nilsson, CEO of Forest Sector Insights AB, Sweden. He made the following key points:

- i. Green economy has many 'R's: Reduce, Re-use, Re-cycle, Replace, Re-design, Rebuild, Re-define, Revive, Regenerate, Reform, Re-organize, Re-imagine, and be Resilient;
- ii. Green economy is the transition of the total economy and not just a subset of the economy;

importance of the validation of public procurement policies, stressing that inclusive policies reduce risk, expand supply and ensure widest sourcing. In this connection, the TPAC process in The Netherlands was identified as being particularly challenging, with the appeal of the NGOs against the TPAC decision on acceptance of PEFC International being due to be heard in February 2012. The parallel process involving the MTCS was also mentioned. In independent initiatives, such as 'green building' systems, the remaining challenge posed by the US Green Building Council was mentioned.

Other important aspects highlighted in the 2010 report were the activities to expand PEFC's profile, the growth of the scheme in Russia and Central Africa, standards revision, endorsements and re-endorsements, capacity building, training and support.

From MTCC's viewpoint, the most important developments related to the

- iii. The biggest potential impact on greening the economy by the forest sector is the use of forest products and services in other sectors by replacing finite resources and harmful raw materials;
- iv. What the forest sector can do to contribute to the green economy: get actively involved in the green economy theme of RIO+20 (Rio de Janeiro, 2012), push national policy setting on green economy; demonstrate what the forest sector can do in greening the economy; demonstrate that the forest sector can be the lead sector in the transformation to green economy;
- v. It has to be proven that the new economy will be a quality and smart economy contributing to the consumer's quality of life;
- vi. The forest sector is ahead of most sectors on the sustainability path and can take the lead on the green economy path;

15th General Assembly were (i) the presentation by Wang Wei, Chairman of the China Forest Certification Council (CFCC) the newly elected national scheme from China, (ii) the presentation by Dr. Dilip Kumar, Director General and Head of the Indian Forest Service and Special Secretary to the Government of India and Dr. Dradjad Wibowo, representing the Indonesian Forestry Certification Cooperation (IFCC), and (iii) the election of Mrs. Sheam Satkuru-Granzella, Director of MTC London as Vice-Chairman of the PEFC Council.

The admittance of the CFCC as a member of the PEFC is a significant event, in view of China's current position and role in the world economy and trade. In addition, if the interest shown by India is able to result in a decision at a later stage to join the PEFC, the presence of two of Asia's largest economies will provide an important boost to PEFC's profile and image in the Asia Pacific region.

- vii. The forest sector should demonstrate how it can contribute to the solutions of major societal concerns under a green economy;
- viii. The forest sector should produce a concrete vision on how to green the economy with needed policy changes and implementation schedules;
- ix. The forest sector should establish innovation networks for greening of the economy and establish partnerships outside the conventional sector. R&D&D (design) &P (psychology – to convince) instead of just R&D

Three panel sessions were held during the Dialogue, dealing with *Where Wood Stands: Opportunities & Challenges in Promoting the Sustainability of Forestry, Products and Trade* (Panel 1), *Incorporating Forest Values throughout the Production Chain* (Panel 2) and *Building on Timber: Latest Initiatives and Innovations to Position the Sector* (Panel 3).



## A Familiar Face Joins MTCC

MTCC has recently appointed a new staff to its forest management certification unit.

MTCC News extends a warm welcome to: **Siti Syaliza, Manager (Forest Management)**. Siti will be assisting Yong Teng Koon, Senior Manager in the unit, in matters relating to forest management certification.

For stakeholder groups involved in the forestry and timber industry, Siti will be a familiar face, having worked with the MTC for 11½ years and representing MTC in numerous local and international events. You can contact Siti at: [siti@mtcc.com.my](mailto:siti@mtcc.com.my)

## Export of Certified Timber Products under the MTCS

Source: MTIB & MTCC

### November 2011

By Destination	Volume (m <sup>3</sup> )
Netherlands	3,801.42
United Kingdom	1,718.27
France	456.94
Germany	417.26
Belgium	326.13
Australia	217.08
South Africa	170.78
Italy	62.73
Greece	30.74
Poland	30.91
<b>Total</b>	<b>7,232.25</b>

### December 2011

By Destination	Volume (m <sup>3</sup> )
Netherlands	3,657.75
United Kingdom	1,418.53
Belgium	648.03
Germany	535.87
France	485.58
Australia	327.91
South Africa	249.25
Denmark	213.97
Italy	131.83
Norway	85.82
<b>Total</b>	<b>7,754.53</b>

### January 2012

By Destination	Volume (m <sup>3</sup> )
Netherlands	2,174.89
United Kingdom	1,281.88
France	964.44
Saudi Arabia	834.45
Belgium	775.73
South Africa	554.89
UAE	524.61
Germany	503.76
Australia	460.88
Italy	192.19
Jordan	63.28
Sweden	42.89
New Zealand	39.03
Pakistan	34.68
Bahrain	19.50
<b>Total</b>	<b>8,467.12</b>

### February 2012

By Destination	Volume (m <sup>3</sup> )
Netherlands	4,838.60
United Kingdom	2,200.26
Germany	1,190.33
France	1,017.41
Australia	804.59
Belgium	404.38
Denmark	397.75
Poland	99.74
Norway	43.04
<b>Total</b>	<b>11,206.13</b>

By Product	Volume (m <sup>3</sup> )
Sawn Timber	4,493.91
Plywood	2,048.06
Moulding	690.27
<b>Total</b>	<b>7,232.25</b>

By Product	Volume (m <sup>3</sup> )
Sawn Timber	5,042.95
Plywood	2,058.56
Moulding	653.02
<b>Total</b>	<b>7,754.53</b>

By Product	Volume (m <sup>3</sup> )
Sawn Timber	5,603.54
Plywood	2,236.23
Moulding	614.30
Finger Jointed	197.15
<b>Total</b>	<b>8,467.12</b>

By Product	Volume (m <sup>3</sup> )
Sawn Timber	6,078.08
Plywood	3,635.28
Moulding	1,382.25
Finger Jointed	110.52
<b>Total</b>	<b>11,206.13</b>

1. Volume exported in November 2011: 7,232.25 m<sup>3</sup>

2. Volume exported in December 2011: 7,754.53 m<sup>3</sup>

3. Volume exported in January 2012: 8,467.12 m<sup>3</sup>

4. Volume exported in February 2012: 11,206.13 m<sup>3</sup>

**Total cumulative volume exported since July 2002: 546,780 m<sup>3</sup>**

## Facts & Figures

**No. of PEFC Certificate for Forest Management: 9 FMUs**

**No. of PEFC Certificate for Chain of Custody: 174 companies**

Further details on the validity and area of the FMUs/scope of certification of the timber companies and their contact details, kindly log on to MTCC's website at [www.mtcc.com.my](http://www.mtcc.com.my)