

MC&I for Forest Management Certification (MC&I FMC)- Public consultation on Enquiry Draft

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Preamble

Congratulations to MTCC for surviving two decades of thankless hardship experimenting with the development of MC&I *scheming* (no pun intended) serially with ITTO, FSC and PEFC, tortuously with a Standard review one way or another almost every year. The proposed MC&I FMC should reduce the frequency of review with savings in time and cost, but critically must also be more relevant to Sarawak (for its commitment to SFM and FMC), and consonant with expectations and opportunities in this era of climate change and digital economy.

I. General observation & questions

1. Standard formulation, review and audit procedure unchanged since 1999.

The Standard formulated twenty years ago is fundamentally flawed for catering predominantly to Peninsular Malaysia circumstances and its FMU model, and audaciously imposed the same expectations onto Sarawak. The recognition by FSC and PEFC of the relevance for a regional or Sub-national standard was never given a chance as any suggestion to review the Standard to respond to Sarawak's conditions were met by NGOs' suspicion of attempt by the timber industry to adulterate the Standard, and "tyranny of the majority" built in the SRC membership which required consensus or unanimity for any revision. Up until recently, Sarawak's frustration with the Standard and the impossibility for a fair review was moot as there was precisely only one FMU which volunteered under duress to undergo FMC against MC&I.

Question:

As Sarawak now represents the largest forest area with the highest FMU membership within MTCS, will MTCC provide Sarawak the enabling condition to formulate/review its regional standard to cater for the differences between Sarawak and Peninsular Malaysia?

Though beyond the scope of this public consultation on the Enquiry Draft, this occasion is unfortunately the only chance for Sarawak stakeholders to reflect on the probability for FMC based on the current Standard.

2. Double standard: Peninsular FMUs and Forest Managers are public institutions with perpetual tenure and almost all research, manpower & training, socio-economic programmes and infrastructure development/maintenance are paid by public funding

Selected indicators which are moot for PM but critical in Sarawak include:

Indicator 4.1.1-Training and retraining, local infrastructure, facilities and socio-economic programmes...

Criterion 7.1- Management plan prepared, written and approved.... (For the State FMU by the State Forest Department)

Indicator 7.2.2- New scientific and technical information....

Indicator 5.1.1 – Investment and reinvestments for administration, protection, research, human resource development....

There is no provision for a “Economic Principle” in MC&I for feasibility of private companies with short and uncertain tenure to invest in R&D, assess and share the value of carbon trade and/or ecosystem services etc. In fact, to be a sustainable FMU at all.

On the other hand, State Forest Departments operating with budget allocation do not need to be economically viable. Quote: “Maintain FSC certification of Deramarkot at all cost”.

Furthermore, the audit of PM FMUs may be dubious when an auditor has to consult the Forest Department on matters with respect to its forest management plan and prescriptions.

Question:

*Can MTCS accept Sarawak’s **interpretation** of MC&I FMC and a **schedule** of “**phased escalation of compliance**” against the above indicators among others, given that a new Forest Policy is in the making and that “The Green Book-Manuals, Procedures and Guidelines for Forest Management Certification in Sarawak (Natural Forest) 2019” had just been printed?*

The Green Book (MPGFMC) is manifested as verifier for 16 indicators in the current draft!

3. Audit procedure and consistency of assessment

Anticipating “NO” for an answer to the question above. Quote: “We just audit against the Standard”.

Question:

3.1 Given that there is only one standard and no discretion with phased escalation of compliance against MC&I for ALL FMUs, how do you ensure that all auditors are adequately accredited (given the number of occasions, time and cost for stakeholder consultations during the audit period at the cost of

certifier), and that a NCR raised against ONE FMU shall also be raised against ALL similar offenders and vice versa, by the same Certification Body, and among certification bodies.

3.2 Is it fair to claim that MTCS in fact practised a discretionary phased escalation of compliance against MC&I between FMUs?

3.3 Pragmatically, would MTCC review the audit procedure to formulate a transparent system for the “phased escalation of compliance” to cater for the fledgling FMUs in Sarawak?

4. MC&I FMC scope and audit procedure

Cognizant of Criterion 6.12 on 31st December 2010, work-in-progress by FSC/WWF on “New Generation Plantations”, and aspirations to achieve Sustainable Development goals:

Question(s):

4.1 How would NGOs in SRC reconcile Criterion 6.12 with Criterion 5.5/Indicator 5.5.2?

4.2 How would MC&I FMC cater for combined audit over a landscape or SDU, NF and FP by same/different manager, group certification including FP small holders to save costs and time?

4.3 Would MC&I FMC also cater for MSPO certification within FP and OP small holders?

4.4 Given the auditor capacity crunch, number of FMUs, amount of time for travelling to each FMU in Sarawak, how would MTCS leverage ICT and commitment to digital economy to modernise the audit procedure to save time and costs for FMC?

5. Rationalise and minimise “Repeated/Cross referenced” Criteria and Indicators

MC&I (NF) inherited 97 indicators from FSC Standard which contained a large number of repetitions and cross-reference under different Principles. Example Indicator 5.3.1 and Indicator 6.5.2

Questions:

Would MTCS consider to reduce the number of replicated/cross referenced indicators with identical verifier.

6. Format and Presentation

Suggestions:

6.1 Present NF and FP "Side by side" in landscape layout for easy comparison/distinction

6.2 Common verifier affecting three regions

Common verifiers under each indicator to be manifested only once to save space, improve user friendliness and be consistent.

II. Specific Issues with Indicator and verifier

Ind.	Description	Issue	Comment/Discussion
1.1.1.	Federal State and local laws, regulations and policies relevant to forest management	"Manual, Procedures and Guidelines for SFMC" (MPGSFMC) <i>legalistically should not be a verifier.</i>	Not a law, regulation or policy. STLVS? Sabah did not indicate TLAS as verifier.
1.6.1	Written Policy or Statement of such commitment	Sarawak has proclaimed a SFM policy <i>No need for individual FMU policy?</i>	Sarawak SFM policy (Work-in-progress still?) as verifier?
5.1.1	Investment and reinvestment consistent with tenure of FMU	Annual operating and development budget and expenditure. <i>To remove?</i>	Ball park or shoot in the dark? NCR Implication for under budget or underutilization? Tenure conditions unknown.
5.3.1	RIL guidelines...residual stand and wastage	MPGSFMC scope too wide. <i>Replace with "Guidelines for Reduced Impact Logging"</i>	Specific. Consistent with Sabah and PM
5.5.1	Guidelines and/or procedure to identify and demarcate sensitive areas for protection of soil and water...	MPGSFMC scope too wide. <i>Replace with "Procedures to identify production, protection and community-use areas"</i>	Specific procedure in MPGSFMC
5.5.2	Guidelines to maintain/enhance value of forest services....	MPGSFMC scope too wide. <i>Replace with "Guidelines for Reduced Impact Logging"</i>	Consistent with Sabah and PM

6.2.1	Guidelines to identify and protect rare, threatened and endangered species...	MPGSFMC scope too wide. <i>Replace with "Guidelines to identify Endangered, rare, threatened or Protected Forest Trees in Sarawak" and "Guidelines for Fauna conservation and Ecosystem Management".</i>	Specific procedures. Note interchanged use of RTE and ERT in 6.1.2, 6.2.1. and 6.2.5 Ditto MPGSFMC Guideline 7.
6.2.2	Guidelines to establish representative conservation and protection area	MPGSFMC scope too wide. <i>Replace with "Guidelines for Fauna conservation and Ecosystem Management".</i>	Note different verifier for same indicator for NF and FP!? Where is FP guideline sourced?
6.3.2	Guidelines for conservation of genetic, species and ecosystem diversity	MPGSFMC scope too wide. <i>Replace with "Guidelines for the conservation of genetic, species and ecosystem diversity and guidelines for biological corridors and buffer zone for wildlife".</i>	Guideline 6 of Guidelines for Fauna conservation and Ecosystem Management.
6.5.1 6.5.2 6.5.3 6.5.4	Harvesting procedures to protect soil from compaction... and erosion during harvesting operations. Implementation of RIL... Forest road layout... Natural hydrology and buffer strips	MPGSFMC scope too wide. <i>Replace with "Guidelines for Reduced Impact Logging"</i>	Consistent with Sabah and PM
8.1.1	Comply with regulatory monitoring procedures	MPGSFMC scope too wide. <i>Replace with STLVS?</i>	Sabah indicated TLAS Status of STLVS?
8.1.2	Identify and implement appropriate procedures for assessing social, ecological, environmental and economic impacts	MPGSFMC scope too wide. <i>Replace bullets 1, 2 & 5 with "Guidelines and procedures for social impact assessment and monitoring of forest management operation..."</i> <i>Bullet 3 on "Internal audit report" to address under Indicator 8.1.3</i> <i>Bullet 4: Replace EMR with ECA</i>	Guideline 6 ECA: Environmental Compliance Audit

8.1.3	Annual internal audit	2.1.c: Measurement results and audit results? <i>Appendix A integral to MC&I FMC or an extra template?</i>	Fact of audit with good or bad results should suffice for objective of continual improvement. <i>CB need to know fact of audit or result of audit? Self-incrimination?</i>
8.3.1	Provide relevant documents...identify all forest products leaving certified areas can be identified...	Superfluous verifiers apart from "Record of Removal Pass (Royalty/Transit)	Less is more? Precise document consistent with Sabah and PM
9.1.1	Assessment to identify HCVAs in accordance with relevant guidelines,and in consultation with relevant stakeholders and experts	MPGSFMC scope too wide. Replace with "Guidelines for Monitoring of High Conservation Values"	

III. Gaps, deficiencies and OFIs

No.	Issue/Proposal	Comment/Suggestion
1.	"Two-tier Standard Formulation/Review System"	Based on an agreed MC&I structural framework, each region would conduct its own specific C&I within a SRC represented by two members from each stakeholder group to overcome the problem of "consensus" determined by other stakeholders who may be indifferent to regional problems.
2.	Structural Organisation for P&C	Stage 1 could be assessed online? Costs of travelling to view documentation only? Structural Organisation of P&C will also contribute to productivity and cost efficiency. Logical hierarchy of P&C: P2-P6-P7-P9 as Stage 1 assessment online (for example).
3.	Audit fee structure and schedule of rates	Insufficient information on audit man-day for NF, FP and NF/FP Stage 1, Stage 2, Surveillance and Recertification, group and small holder fee structure beside travelling. Stakeholder consultation with government agencies should not be billed to certifier as it should be part of the CB/auditor accreditation process.
4.	Principle 4: Community Relations and Workers' Rights	The community component should be addressed in P3 and P4 exclusively for Workers' Rights. <i>Move Criterion 4.1 and Criterion 4.4 to P3?</i> <i>Rename P3 Indigenous Peoples' Rights and Community Relations?</i>
5.	Conflicts between laws and Principles	Sarawak is particularly well blessed in the diversity of conflicts between laws and Principles ranging from customs and land use, working conditions and holidays, to socio-economic and infrastructure development expectations against logistics and costs. Additional guidance by the government would be needed to interpret the state of art implementation of MPG SFMC among others, and to close some gaps in meeting the requirements of MC&I FMC.
	Guidelines for the management of unauthorised settlements in duly constituted PFE	Notwithstanding "Conflict Resolution Guidelines for Sustainable Forest Management", the Guidelines for the management of unauthorised settlements in duly constituted PFE is an apparent gap which could impute forest managers for failing P1 to P10! <i>Criterion 2.2 and Criterion 6.10?</i>