

Malaysian Timber Certification Council - Sustainable Certification Imposters

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Malaysia's diversity, indigenous people's rights and cultural variety are under serious threat by rampant legal and illegal logging activities. Unfortunately, at this time the MTCC scheme does not guarantee its forestry activities and products come from sustainable practices. (c)Greenpeace/Barrington

MTCC current scheme does not recognise native customary law (adat) and as a consequence several Malaysian indigenous groups have denounced the MTCC scheme as being far from sustainable. (c)Greenpeace/Ngo

Problems with forest management in Malaysia

The oldest inhabitants of Malaysia are its indigenous peoples. They account for about 5 percent of the total population, and represent a majority in Sarawak and Sabah. The indigenous peoples of Sabah, Sarawak and Orang Asli of Peninsular Malaysia are collectively termed 'Orang-Asal', which means 'Original Peoples'.¹ To the indigenous peoples of Malaysia the forest and land is their livelihood providing them with food, clothing, fuel, medicines and spirituality.

The majority of the logging in Malaysia is done without prior consent from the local communities and indigenous peoples and some of Malaysia's social, environmental and community-based groups are calling for a moratorium on logging in primary forest areas and in areas where indigenous peoples are asserting their native rights.²

Malaysia's forests are not only integral to the livelihoods of many indigenous people, its diverse ecosystems support a rich assemblage of flora and fauna – qualifying Malaysia as one of twelve mega-diversity countries in the world³. Yet, unsustainable logging levels are seriously degrading the majority of Malaysia's forests, threatening its species and the livelihoods of indigenous and local communities. According to FAO (UN Food and Agriculture Organisation), Malaysia lost 13.4% of its natural forests during the 1990s.⁴ This loss is further compounded by the industry's engagement in illegal logging activities. It is estimated that in 2001 39% of the timber used by the Malaysian timber industry was illegally imported or logged inside Malaysia.⁵

MTCC Ignore Indigenous Peoples Concerns

Malaysia is a major tropical timber exporter⁶ and has faced growing international demand for credible certified timber and timber products. The Malaysian Timber Certification Council (MTCC) was established in 1998 to develop an internationally recognized certification scheme to ensure timber supplies are derived from sustainable forest management practices. Primary Industries Minister Datuk Seri Dr. Lim Keng Yaik makes clear that access to international markets was the main impetus for the establishment of MTCC "Malaysia wanted to revive its timber product exports to Europe where the trade has suffered from the ill-founded perception that the products did not come from well-managed forests."⁷

Several community-based indigenous groups, social and environmental NGOs were invited to participate in the process to improve the developing the MTCC scheme⁸ with the goal of achieving FSC accreditation⁹. In July 2001, the indigenous organisations and most NGOs¹⁰ withdrew from

1 Young, Carol, JOANGOHutan, 2002. Malaysia – the Malaysian Timber Certification scheme and the FSC.
2 September 2001. Statement by JOANGOHutan. JOANGOHutan is a network of 14 non-governmental, community and indigenous peoples organisations.
3 Megadiverse website (www.megadiverse.org).
4 Dr. David Drown, Estimate of Malaysian consumption of illegal timber, September 2002. The estimate is based on USDA Global Agricultural Information Network figures 2002.
5 Research by the Indonesian NGO Telapak, jointly with the U.K.-based NGO Environmental Investigation Agency.
6 Malaysian timber export earnings in 2002 were valued at US \$4.0 billion. Malaysia Solid Wood Products Annual 2003. Gain Report #MY3028. USDA - Global Agriculture Information Network.
7 Lim, C. 'Certification Way to Better Perception of Timber'. Bernama, Malaysia, 31st January 2002. Cited in (Young 2002).
8 The MTCC started operating in January 1999. The MTCC utilised the 1996 draft of Malaysia Criteria and Indicators (based on International Tropical Timber Organizations' (ITTO) Criteria and Indicators for the Sustainable Management of Natural Tropical Forests) developed by the National Committee of Sustainable Forest Management as basis to further build its national certification scheme.
9 The Forest Stewardship Council (FSC) is currently the only international certification and labeling system that uses globally endorsed ecological performance standards, ensures a traceable chain-of-custody from production to final consumption and brings together a broad range of environmental, social and economic stakeholder interests.
10 The groups that withdrew from the process formed JOANGOHutan to work on certification and forest issues vis-à-vis indigenous and local forest communities ownership rights, user rights and access to resources (Young 2002).



Along Sega, a nomadic Penan leader of the Limbang district. He is 60, father of 9 and grandfather of 30. The Penan are one of the few remaining nomadic peoples of the rainforest. Their homeland in the Malaysian state of Sarawak is undergoing one of the highest rates of logging on earth. (c)Greenpeace/Ngo

the process as the MTCC continuously ignored their concerns/objections over the recognition of customary rights, tenures and user rights of indigenous peoples and local forest communities and realised their continued involvement would only serve to legitimise MTCC 'multistakeholder' process.¹¹ Subsequently, no FSC working group was formed and co-operation between FSC and MTCC collapsed.

Certifying Unsustainable Forest Practices and Products

Despite this, the MTCC finalised its next set revisions to produce its scheme referred to as Malaysia Criteria and Indicators for Forest Management Certification 2001 (MC&I (2001)) which is currently being used to certify its timber and timber products. The major shortcomings of MC&I (2001) include:

- It is a largely system-based certification scheme, which mainly assesses the quality and quantity of input, and have relatively few criteria or indicators that assess the minimum performance level required. The majority of the MC&I indicators tend to concentrate on ensuring the existence of appropriate legislation, documentation and systems.¹²
- Recognition of indigenous rights is restricted to legislative measures and is input orientated. Native customary law (adat) is not recognised.
- There are no criteria requiring the utilization of appropriate mechanisms to resolve disputes over tenure claims and land use rights.
- No equivalent of High Conservation Value Forests¹³ management or the adoption of precautionary principle.
- Plantations are treated as a fully integrated component of a Forest Management Unit and there are no criteria that address the conversion of natural forests to plantations or non-forest land.
- The Chain-of-Custody procedures and standards allow for up to 30% uncertified wood and fibre products up to 70% with no requirements on the uncertified material. Thus the MTCC labeled products could be intermixed with illegal wood.

New MTCC Scheme Not FSC Compatible

In January 2005, MTCC plan to launch MC&I (2002) that have fully integrated FSC's Principles and Criteria with the exception of Principle 10. MTCC refers to this standard as 'FSC compatible' without it being formulated by FSC group¹⁴ and again purports the MC&I (2002) was developed through fair and transparent multi-stakeholder regional and national consultations. Yet at the Peninsular Malaysia regional consultation there was no representation of the local indigenous communities. MTCC claim their interests were sufficiently represented and incorporated in Principle 2 and 3 a qualified sociologist who is an expert on the Orang Asli¹⁵. At the national stakeholders meeting in October 2002 in Kuala Lumpur where the MC&I (2002) were finalised only 14 out of a total of 106 participants represented social and environmental interest groups and the MTCC fails to acknowledge the withdrawal of JOANGOHutan in its certification process in 2001.

Although MC&I (2002) has incorporated criteria and indicators that address the majority of the issues highlighted as weakness in its current standard MC&I (2001), it is still not sufficiently performance-based and it was not developed through a due consultation process.

Protect Life on Earth

Life on the planet is rapidly disappearing, our forests are being destroyed and our oceans are being depleted. Local peoples are being robbed of the natural resources they need for their survival. At this year's CBD governments must stop this destruction and honour the commitments they have already made to stop the trend of biodiversity loss. Governments must provide money for this urgently needed protection instead of wasting it on wars and activities that ultimately end life rather than protect it. Instead of having endless discussions about the devastation, governments must stop the destruction now. As the future guardians of the planet, we have the right to receive a planet rich in life.

Certifying Illegality

There have already been two identified cases of illegal logging taking place within MTCC certified forests.

In May 2002, it was reported that the police captured 21 lorries carrying 147 tonnes of illegal timber in the "certified" state of Pahang. '27 Suspected Illegal Loggers Nabbed'.

New Straits Times, Malaysia. May 21, 2002.

In another case, in March 2003, 65 hectares of State land were found cleared by illegal loggers near the Chini Forest Reserve and near Kampung Melayu Sulong in Pahang. 'Illegal Loggers Plunder State Land.' *New Straits Times, Malaysia. March 9, 2003.*

¹¹ July 2001. Statement JOANGOHutan.

¹² Sandaom J and Simula M, 2001. Assessment of Compatibility of Malaysian Criteria and Indicators for Forest Certification with FSC Requirements. Report prepared for the National Timber Certification Council Malaysia, June 28, 2001

¹³ High Conservation Value Forests are defined by the Forest Stewardship Council as possessing one or more of a number of critical attributes such as: containing globally, regionally or nationally significant concentrations of biodiversity values; containing rare, threatened or endangered ecosystems; meeting basic needs of global communities.

¹⁴ MTCC refers to the MC&I(2002) as the 'FSC compatible standard' without being officially endorsed by the FSC. This is a direct violation of FSC logo regulations.

¹⁵ MTCC website, <http://www.mtcc.com.my/>. Frequently Q&A.