

FLEGT in Sabah

How have we progressed?

Malaysia-European Union (EU) FLEGT VPA negotiations

Following the flurry of VPA-related activity in Malaysia in 2014, momentum has disappeared again. While negotiations are still formally open, the EU is not seeking to push the process forward unless the Malaysian government actively invites this, which does not seem likely in the near future. The major obstacles to the VPA process in Malaysia remain, namely; a non-participatory process, Sarawak's refusal to take part in the negotiations, and the government's ongoing refusal to recognise the customary tenure rights of indigenous communities.ⁱ

12-13 April 2015|Empowering local communities through experience sharing with Indonesian counterparts

It was a collaborative effort between WWF-Malaysia and WWF-Indonesia whereby a two-day workshop was held to provide support and training to local stakeholders on the definitive guide to independent forest monitoring (IFM). The workshop aimed at enhancing the confidence of both local authorities and communities in demanding forest law enforcement. The increase in the quality and credibility of forest sector information resulting from IFM would help local populations to hold their governments accountable and to ensure their rights are respected. Speakers representing WWF-Indonesia highlighted the importance of forests and the many threats they face, often citing the

specific cases from their country. The sessions touched on many of WWF's own concerns and messages amongst others: The importance of governance, responsible forest management and community forestry. The workshop participants which consisted mainly of non-governmental organizations (NGOs) and indigenous peoples have had the opportunity to get an insight into 'Eyes on the Forest' (EoF) initiative and *Relawan Pemantau Hutan Kalimantan* (RPHK). However, identifying the needs and resources needed to launch similar initiative in Sabah remains a challenge due to the lack of financial aid.

Briefly about EoF and RPHK

EoF is a coalition of three local environmental organisations in Riau, Sumatra and Indonesia: WWF Indonesia's Tesso Nilo Program, Jikalahari and Walhi Riau. It was launched in December 2004 to investigate the condition of forests in Riau. This coalition was established in response to massive forest loss as a result of the commercial action of two major pulp and paper companies: Asia Pulp & Paper (APP/Sinar Mas Group) and Asia Pacific Resources International Limited (APRIL / Raja Garuda Emas). These two companies produce 80% of Indonesia's pulp and paper.

RPHK was established in 2013 as a replication of EoF's initiative in Riau, consisting of NGOs such as Link-Ar Borneo, Yayasan Titian, Sampan, Kontak Borneo and WWF-Indonesia program West Kalimantan.



Workshop speakers and attendees of *Empowering local communities through capacity building and experience sharing of "Eyes on the Forest"*, held at The Palace Hotel, Kota Kinabalu.



Intim Saulig, workshop participant from Mangkawagu located in the district of Tongod during the Q&A session.

23-24 July 2015|Sarawak forging the way forward in an evolving global timber market

Addressing the opening remarks, Director of Forest Department Sarawak (FDS) - Sapuan Ahmad called for a concerted effort by all Forest Management Unit (FMU) license holders to demonstrate logging practices in a sustainable and responsible manner. A workshop on *"Market requirements for timber and timber product legality affecting Sarawak"* jointly organized by FDS, NEPCon and WWF-Malaysia brought together a diverse audience of policy makers, timber industry players, NGOs and government officers. The workshop was held to provide an overview of global trends within forestry legality requirements and forest certification. WWF-MY Conservation Director, Dr. Sundari Ramakrishna said, "We are pleased to work with the Sarawak Government to

eradicate illegal timber production and assisting the government to implement sustainable forest management via credible certification schemes." Driving home WWF's key message, Sundari said, "At the end of the day, while the scale of illegal logging remains huge in Sarawak, any kind of certification scheme will help improve the situation." NEPCon Executive Director Peter Feilberg expressed optimism towards Sarawak's effort in addressing illegal logging through forest certification. He recognized challenges facing the state towards fulfilling certification requirements. "Stepwise approach to full forest certification such as FSC and PEFC may be an obvious choice," he said.



Attendees during the workshop held at Riverside Majestic Hotel, Kuching. The session also provided an overview of similarities and differences between certification schemes.



Several break-out group activities held during the workshop to discuss on the requirements for timber legality based on case studies.

21-22 September 2015|Building community capacity: Guide to Report Writing, GPS Handling and Basic Photography Skills

WWF-Malaysia hosted a two-day training program for a group of 14 participants from selected localities in Sabah namely Pitas, Ranau, Tenom, Sapulut, Kalabakan, Sook and Tenom. The program aimed at providing the local communities with helpful tips on clear and concise report writing, basic working knowledge of Global Positioning System (GPS) handling in theory and practice and to explain the fundamentals of camera functions. The training was a valuable learning experience for them to contribute to the implementation of good governance through

independent forest monitoring reporting. The program better ensures that participants will have the necessary skills in identifying and documenting non-compliance with legal requirements, improving information about the forest sector and the transparency of processes; and, in most instances, improving law enforcement. It was emphasized to the participants that all facts presented must be correct and no manipulation of information or falsifying data can occur when reporting illegal activities in the forest.



Released April 28, 2015:

Living Forests Report Chapter 5 - Saving Forests at Risk

The report builds on earlier analysis by WWF showing that more than 230 million hectares of forest will disappear by 2050 if no action is taken, and that forest loss must be reduced to near zero by 2020 to avoid dangerous climate change and economic losses.

21-22 October 2015|Community mapping training

As a follow up to our previous training program on GPS handling, a two-day session was held to provide participants with the basic principles of Geographic Information Systems (GIS) for use in forest monitoring reports. Participants agreed that they had deepened their understanding on the importance of community mapping carried out *by* communities *for* communities, as a tool used to help them develop their capacity to deal with a variety of issues and problems such as illegal logging and tenure rights, developing solutions for themselves. It puts them in a stronger position to represent themselves with NGOs and government bodies as an approach to get them directly involved in their own development and that of the whole community. Throughout the session, participants had the opportunity to learn the use of GIS tools to build maps that are fit-for-purpose and effectively convey the information intended to.



Marusin Peliten, a program participant from the district of Tenom putting theory into practice during an outdoor activity. The purpose of photographic evidence is to provide visual proof to indicate there was a problem or violation of law. Logical sequence of photographs helps to portray a story which aids in visualizing the 'scene'.



Hands-on exercises include Quantum Geographic Information System (QGIS) 2.8.3. Through mapping, participants can build on and improve their situation by pooling their resources and their knowledge, and work effectively with other institutions such as NGOs and local government.



Trainers and participants of *Guide to Report Writing, GPS Handling and Basic Photography Skills*, held at Borneo Paradise Beach Hotel, Kota Kinabalu. There was a growing interest among local communities of the role they play in independent forest monitoring.



Two-day training program on *Mapping for use in Report Writing* conducted at J Borneo Native Village, Lok Kawi. Participants were given the opportunity to experience hands-on activity and guided practice by our GIS experts.



Drawing on a wealth of research, WWF has identified 11 deforestation fronts (Amazon, Atlantic Forest/Gran Chaco, Borneo, Cerrado, Chocó-Darién, Congo Basin, East Africa, Eastern Australia, Greater Mekong, New Guinea, Sumatra) – places where the largest concentrations of forest loss or severe degradation are expected in the near future.

The 11 deforestation fronts contain some of the richest biodiversity in the world, including large numbers of unique species. Urgent action is needed to save them.



Sabah Forestry Department



**Sabah Timber Industries
Association**



**Partners of Community
Organizations in Sabah
(PACOS) Trust**

What do you consider to be the 3 (THREE) most important future outcomes of FLEGT?

For Sabah, the most important outcomes are:

- Increased/improved transparency (good governance) in the management of forest and timber trade in Sabah as Sabah Forestry Department (SFD) has engaged a third-party auditor to audit the Sabah Timber Legality Assurance System (TLAS) compliance based on principles 1- 6.
- Greater awareness among stakeholders pertaining to forestry matters and timber trade as changes and progress on the implementation of Sabah TLAS are communicated to the various stakeholders to ensure transparency and participatory discussions amongst them.
- Better image for Sabah's forestry and timber trade with improved transparency and awareness among the various groups of stakeholders.
- Importers beginning to request for copy of FLEGT Compliance Certificate as a document required for due diligence and recognition of a feasible process.

(Sabah Forestry Department)

- Enhanced awareness and knowledge of FLEGT and its processes.
- Increased the 'standards' of timber from Sabah which has undergone TLAS.
- The birth of Sabah TLAS Compliance Certificate (STCC).

(Sabah Timber Industries Association)

- Recognition of indigenous peoples' rights to forests, land tenure and territories.
- Recognition of indigenous peoples' rights over natural resources and local communities' systems of stewardship (including customary rights and laws).
- Collaboration between indigenous peoples and the Forest Department on addressing illegal logging.

(PACOS Trust)

What have Sabah achieved through the FLEGT process and what are the positive gains out of this?

Sabah has been able to consolidate the different types of requirements of existing laws imposed by various agencies into one set of guidelines i.e. The Sabah TLAS is in line with the concept and principles of timber legality.

(Sabah Forestry Department)

The greatest achievement has been to be able to bring together various stakeholder groups towards the accomplishment of a common goal; to strengthen laws and put together legislation and local practices into Sabah's legal system with principles and criteria that are acceptable to suit the needs of all stakeholders. The whole process has not only created awareness amongst stakeholders but also intensify the knowledge of timber, generally.

(Sabah Timber Industries Association)

What are the next steps needed to improve legality and sustainability of forest-based commodities in Sabah?

Good work implemented on the ground to demonstrate timber legality must be communicated to the target markets in order to sustain momentum.

(Sabah Forestry Department)

Do you want Malaysia to sign a Voluntary Partnership Agreement (VPA) with the European Union (EU)? Please answer either Yes or No and explain your response.

Yes, but the commitment between the European Union and signatory country must be mutual. Signing a Voluntary Partnership Agreement will strengthen Malaysia's position as a 'responsible' source of legal timber.

(Sabah Forestry Department)

Yes, by signing a VPA, it addresses the problem of illegal logging at its source and acts as an initiative to monitor logging activities to ensure that there is no violation of indigenous peoples' rights and territories.

(PACOS Trust)

How do local communities get involved and work closely with Sabah's Forestry Department enforcement team on independent forest monitoring?

- Through the appointment of Honorary Forest Rangers (HFRs)
- Community involvement in SFD's sustainable forest management (SFM) related projects, where they get paid for work done.

(Sabah Forestry Department)

Local communities have a thorough knowledge of their territories; forest terrain, land and natural resources. Through recognition of community forest rights, one potentially powerful tool is community based forest monitoring. This allows forest-dependent communities to be closely involved by being the 'eyes and ears' of the forest.

(PACOS Trust)

Sabah Timber Legality Assurance System (TLAS) is almost fully operational for Sabah timber producers and processors. Nevertheless, implementation challenges have emerged over time. *How do we harmonize stakeholder interests and market realities?*

It will take some time for Sabah TLAS to be fully operational. Some areas related to labour and occupational safety and health issues require significant time to be fully addressed. This would be beyond our jurisdiction. Nevertheless, the main focus is on how to address the conditions and prerequisite of due diligence process and to facilitate the requirements of the markets based on the Sabah TLAS. If the market accepts the various efforts being done to fulfil 'due diligence', that is considered a plus point for us. However, current market does not guarantee that timber and timber products purchased are from legal source and sustainably managed forests. Furthermore, its actual market value has not been fully recognised to compensate the extra costs required for certification.

(Sabah Forestry Department)

Sabah Timber Legality Assurance System (TLAS) is almost fully operational for Sabah timber producers and processors. Nevertheless, implementation challenges have emerged over time. *How has having a TLAS impacted your timber/timber product sales?*

With the existence of Sabah TLAS, importers and end-users can be assured of the status of timber originating from Sabah which has undergone stringent measures to promote transparency and series of audits to ensure legality. More positive impacts have yet to be seen as the system is not fully operational, but the industry remains optimistic.

(Sabah Timber Industries Association)

Timber market is known for being volatile because demand for wood varies. Demand-side measures are transforming timber markets towards supporting legal trade. However, this must be paired with efforts in producing countries so they can meet these requirements. How has this affected the timber exporters in Sabah?

Sabah's timber exports to the EU are small and market sensitive. In 2014, the total value of exports to the EU made up 4.09% of Sabah's total export of timber products. Therefore, it has no significant effect on Sabah. Furthermore, the volume of timber production from the forests of Sabah has been on the decline due to various forest conservation efforts that are

currently being undertaken by the State Government. The declining trend is expected to continue for at least 10 years. In spite of all these, Sabah is committed to implement Sabah TLAS requirements on the ground, with or without EU.

The independent third-party auditing on all long term licences to ensure compliance with the terms and conditions of Sustainable Forest Management Licence Agreements (SFMLA) and to ensure that there is a legal compliance in conformity with the Sabah TLAS has helped to improve forest governance and its visibility in Sabah. These efforts should be given some due recognition by the importing countries as all relevant activities involved expensive undertakings.

(Sabah Forestry Department)

The demand for legal timber with regulations that vary between purchasing countries has increased awareness and efforts undertaken by producing countries to meet the requirements. In Sabah, the initial efforts and farsightedness of Sabah Forestry Department in the implementation of Sustainable Forest Management (SFM) policy has placed about two million hectares of commercial Forest Reserves under the Sustainable Forest Management Licence Agreement (SFMLA). This, coupled with support from the industry has proven to be successful in fulfilling the policy requirements. The policy includes areas under SFMLA to be certified by Forest Stewardship Council (FSC) and Malaysian Timber Certification Scheme (MTCS).

From the industry's point of view, fulfilling the requirements involved additional costs and time. Therefore, purchasing countries must be prepared to 'share' the compliance costs incurred by the producing countries and for complementing such effort by ensuring the price is not only equivalent to the quality of timber but the effort undertaken.

(Sabah Timber Industries Association)

Inclusion of the indigenous people in the FLEGT process remains a challenge. Though there are no guarantees that this population group will continue to participate to an acceptable level, the project continues its effort to incorporate their input. In your opinion, what measures could be taken to make their voices better heard?

- Indigenous peoples' leaders and local community groups' involvement in the multi-stakeholder consultation of FLEGT-VPA process.
- Appointment of indigenous peoples' representatives as Honorary Forest Rangers (HFRs) make their presence felt and their voices can be heard.
- Indigenous peoples and local communities to participate in planning and decision-making process for the development of FLEGT-related activities.

(Sabah Forestry Department)

Recognizing and respecting indigenous peoples' rights is critical for the success of the process. Participation of indigenous peoples in FLEGT-VPA related activities and establishment of working groups are significant to ensure their voices are heard.

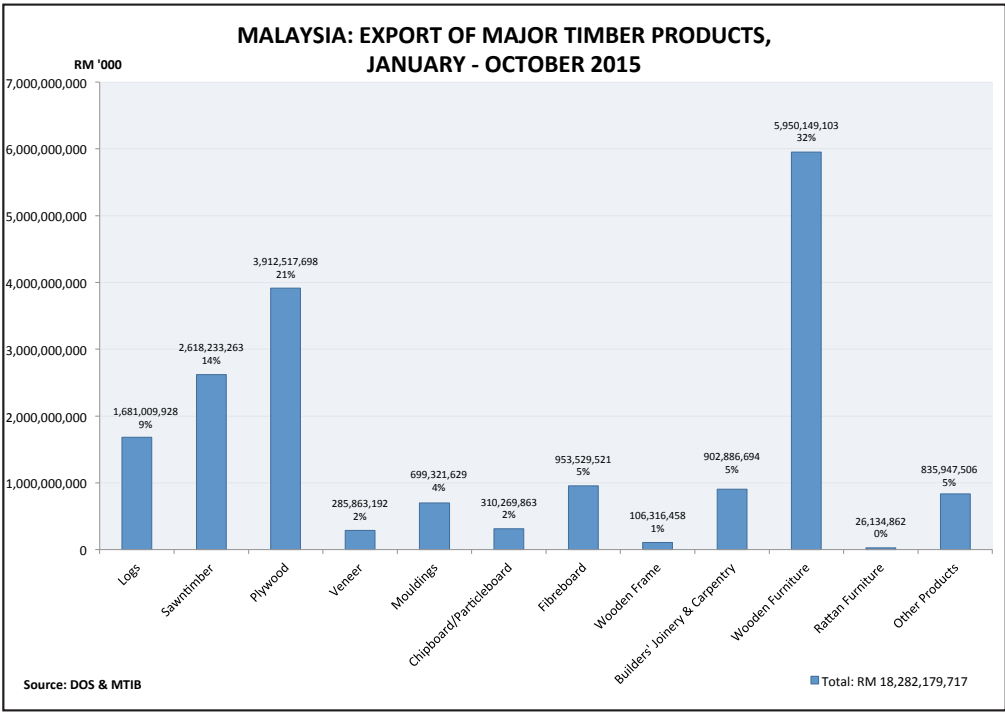
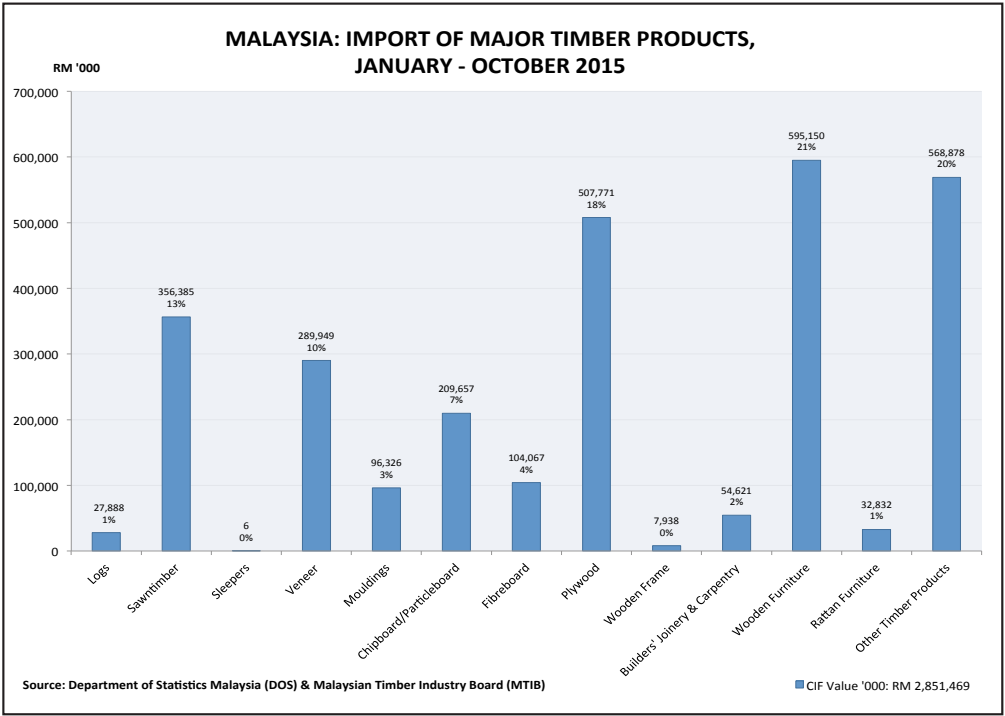
(PACOS Trust)

Please explain briefly some of the key challenges involved in achieving improved forest governance through, for example, multi-stakeholder processes including negotiation and implementation of VPAs; institutional and organisational reform; community forestry; tackling corruption; and rights based approaches.

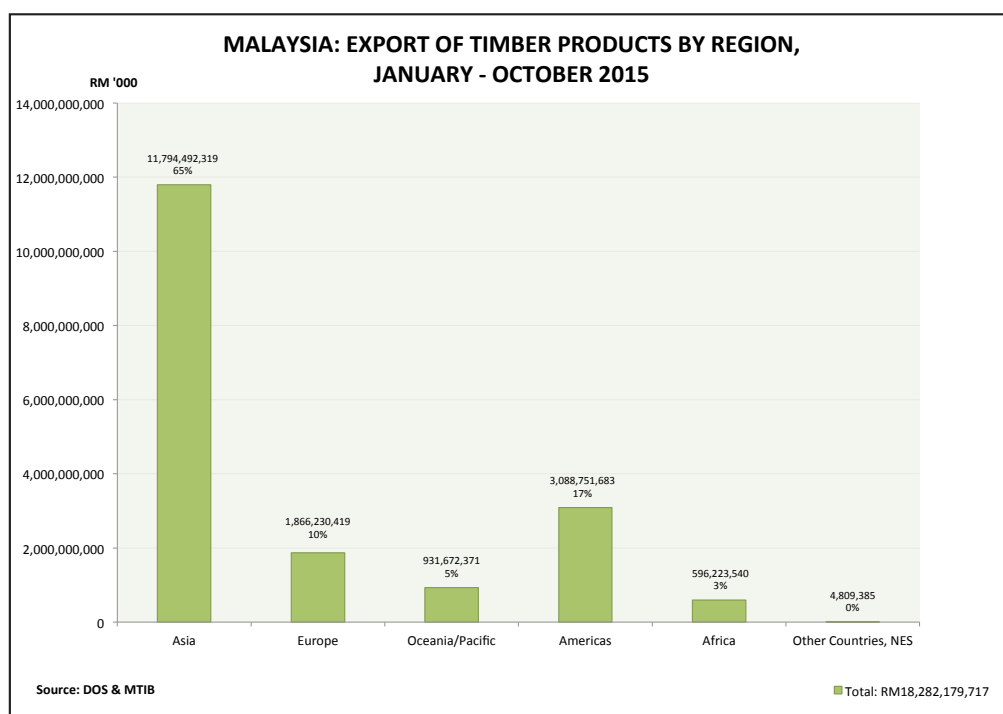
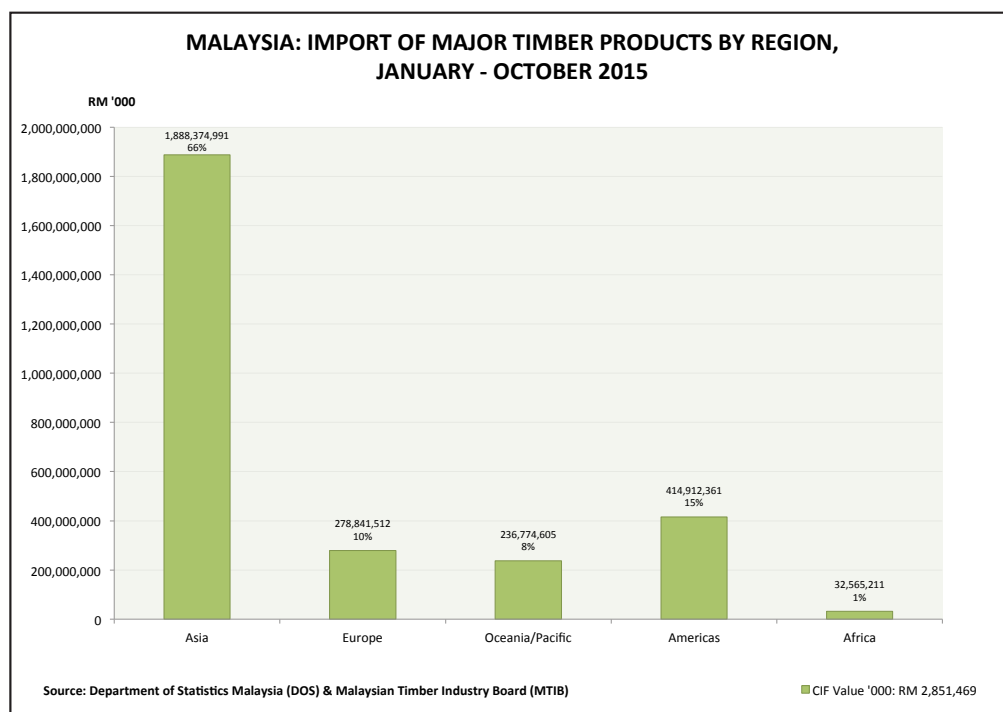
- Lack of adequate funding to improve forest governance through various activities such as the implementation of sustainable forest management, ensuring timber legality and third-party auditing among others.
- Increasing demands of forest lands for development purposes and community claims over forest reserve.
- Shifting the mind set of forest-based industry; Forestry itself is not just about logging alone but involves managing forests sustainably to generate economic returns in perpetuity.
- Lack of clarity regarding the inter-relationship between sustainable forest management certification schemes and promoting good forest governance through FLEGT. How could these two reinforce each other, leading to better forest governance?

(Sabah Forestry Department)

Malaysia: Imports and exports of major timber products



Malaysia: Imports and exports of major timber products (by region)



What are YOU doing for forests?

The World Forestry Congress (WFC) held in Africa for the very first time brought together a group of 4000 participants from 142 countries. The XIV WFC congress organized by the Food & Agriculture Organization of the United Nations (FAO) and the Government of South Africa took place on 7-11 September, 2015. This event was a once-in-six-year opportunity to exchange views and formulate recommendations to be implemented at the national, regional and global levels.

In the modern-day world, there are still many issues facing the forestry sector. WWF's projections show that the world stands to lose up to 170 million hectares of forest between 2010 and 2030ⁱⁱ. WWF used the opportunity during WFC to challenge global forestry leaders to help stop deforestation and tell us what they are doing for forests by joining WWF's "Forests for Life" campaign.

WWF's "Forests for Life" campaign

"The campaign is about what we can do together to make change happen. The solutions are out there between us all. Let's open up the space for dialogue, learning and hearing different viewpoints, so that we can co-create the future that we want. Let's co-create solutions that work for all of us."

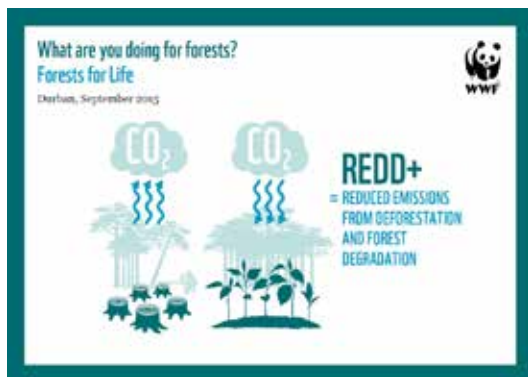
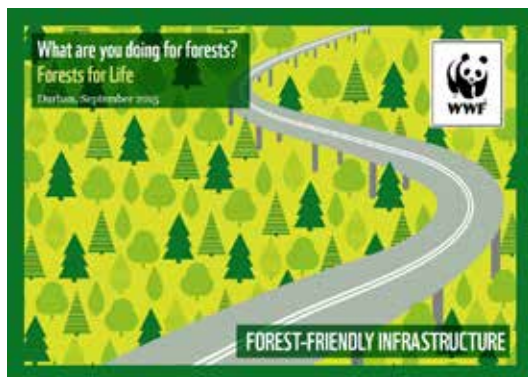
Fred Kumah, Director, WWF Regional Office for Africa

Below is a list of solutions that WWF believes are keys to tackling deforestation and forest degradation:



"There's no silver bullet to halt forest loss and degradation. A suite of solutions – ranging from expanded protected areas to more sustainable consumption patterns – are needed to ensure that forests survive the 'land squeeze' created by the rush to supply humanity's growing demand for food, energy and materials."

Rod Taylor, Director, WWF Global Forest Program

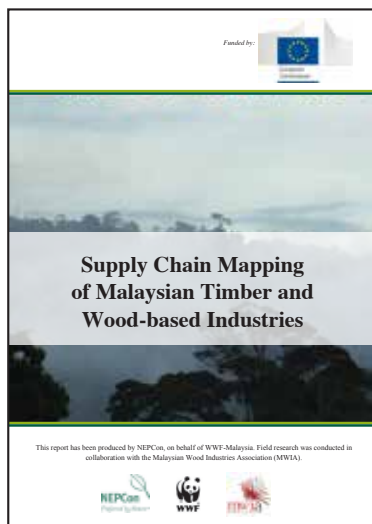




Now the question is, what are YOU doing for forests?

18 January 2016|Supply Chain Mapping of Malaysian Timber and Wood-based Industries

This research aims to provide an overview of the Malaysian timber trade and offer an insight into specific supply chain issues in the timber sector. This is done to aid evaluation of legality and sustainability issues relevant to a variety of stakeholders; and specifically to support stakeholders in the Malaysian timber sector itself in moving towards ensuring timber legality and sustainability. This will allow industry stakeholders to focus on addressing the most pertinent issues and communicate their legality and sustainability achievements, to obtain ethical investment and trade.ⁱⁱⁱ



NEW!

This report has been produced by NEPCo, on behalf of WWF-Malaysia. Field research was conducted in collaboration with the Malaysian Wood Industries Association (MWIA). The Project is funded by the European Union, represented by the European Commission.



The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed in the newsletter lies entirely with the author(s). Corrections or additions were made where there were inconsistencies, repetitions and ambiguity but the general meaning was retained.

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WWF-Malaysia/Mazidi Ghani

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Join us:



Why we are here
To stop the degradation of the planet's natural environment and
to build a future in which humans live in harmony with nature.
www.wwf.org.my



ⁱ Forest Watch Special- VPA Update, June 2015 - <http://www.fern.org/FLEGTUpdateJune2015>

ⁱⁱ World Forestry Congress 2015 - http://www.wwf.panda.org/about_our_earth/deforestation/forests_for_life/wfc_2015/

ⁱⁱⁱ Report - http://www.wwf.org.my/media_and_information/publications_main/