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This monthly news bulletin is produced by Sarawak Timber Association (STA) to disseminate information to our counterparts on training, research and other relevant areas.

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Briefing on the Use of the revised PEFC International CoC Standard

In order to provide Chain of Custody (CoC) certificate holders with a better understanding of the Programme for the Endorsement of Forest Certification (PEFC) International Standard PEFC ST 2002:2010 Chain of Custody of Forest-based products – requirements and the amendments/additions made in comparison with the current Annex 4 document, the Malaysian Timber Certification Council (MTCC) took the initiative to inform the timber industries in Malaysia through a series of briefings. The briefing for the Sarawak timber industry was held on 8 November 2011 at New World Suites, Bintulu. About 50 participants from the timber industry attended the briefing.

In that briefing, Mr Harnarinder Singh of MTCC gave an update on the Malaysian Timber Certification Scheme (MTCS) and talked about the new institutional arrangement. In this new arrangement, MTCC is the National Governing Body and overall operator of the scheme.

In another presentation, participants were informed of the

new CoC standard, Chain of Custody (CoC) of Forest-Based Products – Requirements (PEFC ST 2002:2010) was adopted during the PEFC General Assembly in November 2010. This document replaces Annex 4 of the PEFC Council Technical Document. The transition period shall end on 26 November 2011. Hence, companies shall implement the requirements of the new standard after this date and all certification, surveillance and recertification shall be carried out against the new standard. The presenters also briefed all participants on the basic CoC model, the CoC process and the specification of the PEFC claim and logo usage.

The briefing ended with highlights on some of the benefits of the PEFC CoC certification such as mutual recognition with other PEFC-endorsed systems around the world, MTCS certified products will be allowed to use the PEFC logo and information on the organisation, certification type and products will be posted in the PEFC website.

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Closing Workshop for the German-Netherlands FLEGT VPA Support Programme

The Closing Workshop for the German-Netherlands Forest Law Enforcement Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) Support Programme was held on 25 November 2011 at

Le Meridien Hotel, Kota Kinabalu, Sabah. It was well attended by about 100 participants from government departments, agencies, Non-Governmental Organisations (NGOs)

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International Conference on “Sabah Heart of Borneo (HoB) Green Economy and Development: Engaging Business for Environment”

The International Conference on “Sabah Heart of Borneo (HoB) Green Economy and Development: Engaging Business for Environment” with specific focus on Sabah was organised by Sabah Forestry Department in partnership with WWF – Malaysia from 15 to 16 November 2011 at The Magellan Sutera Harbour, Kota Kinabalu, Sabah.

The Conference was officiated by the Chief Minister of Sabah, Datuk Sri Panglima Musa Hj Aman and attended by more than 500 participants from diplomatic missions to Malaysia as well as various local and international agencies. In his opening remarks, the Chief Minister of Sabah mentioned that it is inevitable for Sabah to face population growth and the country’s vision to become a high-income nation by 2020 will exert pressure on its natural resources. Therefore, the ‘business as usual’ attitude needs to be reviewed due to the warning on climate change. This conference will give the opportunity to explore ways to ensure future developments through the use of Green Technology which could bring about the needed resources to support the sustainable development in the State.

The United Nations Environment Programme (UNEP) defines Green Economy as “Improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”. The forest sector plays an important role in establishing an innovative network for greening of the economy and establishing partnership outside the conventional sector as part of the solution of major societal concerns instead of being a problem.

According to Datuk Sam Manan, the Director of Sabah Forest Department, this conference provides an opportunity for Sabah to share the knowledge and experience gained in the HoB initiatives. He also said that Green Economy is about Sustainable Development to address the three pillars of sustainability i.e. environment, social and economics.

During the opening ceremony of the Conference, a Note of Cooperation was signed between the Sabah Forestry Department represented by Datuk Sam Manan and the Malaysian Remote Sensing Agency (ARSM) represented by its Director Datuk Darus Ahmad which signified the start of a five-year cooperation to map Sabah’s forest cover for the REDD-Plus Implementation.

Sabah Forestry Department secured RM5 million from the Federal Government under the 9th Malaysia Plan to implement the HoB programme including carrying out inventories to prepare the management plan for nine forest reserves. Another RM4 million have been allocated in the 10th Malaysia Plan to expand the HoB work to nine other forest reserves.

In managing the timber production from the forest reserves, the Sabah Forestry Department has now made it mandatory for all forest concessions to implement Reduced Impact Logging (RIL) since 2010. As a way forward, by 2014 all long term forest management licenses holders in the state must be certified based on any international recognised scheme. Currently, there are about 320,000 ha of forest reserves in Sabah certified under Forest Stewardship Council (FSC) while another 57,000 ha is certified under the Malaysian Timber Certification Scheme (MTCS).

The Conference was divided into four sessions i.e Concept, Mechanics & Contribution of Forest, Regional Development, Business Community and Investing Into Green Economy and thirteen papers were presented.



Did you know that.....

In 2011, over 59% US manufacturers revealed that sustainability is “highly important” or “important” in the future. The American Small Manufacturers Coalition survey revealed that this showed a 35% improvement compared to 2009. This showed that green practices like producing environmentally-safe products are becoming more important to these manufacturers.

Source: MTIB News Extracts 43/10/2011

Did you also know that....

A rule from the Trade Ministry of Indonesia is to be effective in December 2011 after being issued in November 2011 under a recently-announced moratorium, which will ban raw rattan exports. The ban is expected to offer more rattan for the furniture sector and could revive the local rattan furniture sector. The revenue of the local rattan furniture sector in October 2011 stood at USD 50mn (EUR 36.58mn) compared to USD 350mn in 2005.

Source: 31 Oct 2011, Jakarta Post



47th International Tropical Timber Council Session

The forty-seventh session of the International Tropical Timber Council (47th ITTC session) and the associated sessions of its four Committees were held from 14 to 19 November 2011 in La Antigua, Guatemala. The 47th ITTC session was chaired by Mr Joachim Bile Allogho (Gabon).

During the week of meeting, the Council considered the implementation of Biennial Work Programme (BWP) 2010-2011 as well as the activities to be included under BWP 2012-2013, the current status of implementation of the ITTO Thematic Programmes, and the administrative budget for 2012. The Council also reviewed the status of the deposit of instruments of ratification, acceptance, approval, or accession to the International Tropical Timber Agreement (ITTA) 2006.

The 47th ITTC session was overshadowed by concerns over the long-term financial viability of the ITTO and the anticipated entry into force of ITTA 2006, and the implications of this for the funding and the scope of the ITTO's activities.

ITTO Executive Director Emmanuel Ze Meka, in his opening remarks, highlighted the collaborative activities that ITTO undertook in the year 2011 including the ITTO's 25th anniversary celebrations and the International Year of Forests, and other ongoing collaborations covering work with FAO to harmonise reporting for the Forest Resource Assessment and ITTO's report on the status of Tropical Forests.

The Producer caucus put on record their disappointment that there is still no funding available to execute the project on the analysis of the economic impact of governmental procurement policies on the tropical timber markets.

The revised ITTO Guidelines for the Sustainable Management of Natural Tropical Forests incorporated C&I, certification and REDD+ are based on multiple-use forest management and valuation of forest goods and services as well as an addendum on

climate change adoption and mitigation at the forest management unit level. There was lack of information on these Guidelines as the authors were not present at the session. It was agreed to give members till 31 March 2012 to submit their inputs/comments to the ITTO Secretariat.

ITTO Annual Market Discussion – 2011 was held in the joint session of all committees under the theme "The Crisis, the Impact and the Recovery". Six presentations were delivered, namely 'The Market for Tropical Timber in Europe' by Mr André de Boer of European Timber Trade Federation; 'Crisis, Impact and Recovery in China' by Ms Luo XinaJian of China State Forest Administration; 'India, an Oasis of Growth' by Mr Ramkrishna T Somaiya of Timbers Importers Association of India Ltd.; 'The Crises, the Impacts and the Recovery' by Mr Alhassan Attah of Forestry Commission of Ghana; 'State of the US Industry' by Mr Brent J McClendon of International Wood Products Association (USA); and 'The Great East Japan Earthquake and Forest Industry' by Dr Akihiko Nemoto of Tottori University of Environment (Japan).

The Trade Advisory Group (TAG) presented its annual statement at the market discussion session highlighting three main issues (1) Green Building Initiatives; (2) Technical Innovations; and (3) Market Access with the following solutions which could be added to the BWP:

- Life Cycle Assessment/Environmental Product Declaration (or LCA/EPD) for a few tropical species and products.
- Clearinghouse of technical information from research done by ITTO and member countries made available to trade.
- Web based clearinghouse on the variety of due care / due diligence processes that are being developed related to legality of globally traded wood products.

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The Council adopted "Life Cycle Assessment/Environmental Product Declaration (or LCA/EPD) for three tropical wood products – meranti plywood, ipe decking and khaya lumber in BWP.

The Producer group nominated Mr Makoto Ozawa (Japan) as the Council Chair and the Consumer group nominated Mr Jose Trinidad Suazo Bulnes (Honduras) as the Council Vice-Chair for 2012. They both were elected by acclamation.

The forty-eightieth session of the Council will be held in Yokohama, Japan, from 5 to 10 November 2012. Gabon agreed to host the forty-ninth session of the Council in Libreville from 25 to 30 November 2013.

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and timber companies.

The European Union (EU) and Malaysia have embarked on the formal negotiations for a VPA in September 2006 to ensure that only legal timber will be exported to and accepted in the EU market. In support of the negotiation process, funding was made available since 2009 by the Federal Republic of Germany (Federal Ministry for Economic Cooperation and Development) and the Government of the Netherlands (Ministry of Agriculture, Nature and Food Quality & the Ministry of Foreign Affairs) to provide technical assistance specifically to relevant agencies to improve capacity in ensuring the various legal requirements in the timber supply chain comply with the scope of the FLEGT VPA. The joint funds were managed and disbursed by the German International Cooperation or Gesellschaft für Internationale Zusammenarbeit (GIZ) while the Malaysian Timber Council (MTC) has been appointed by the Ministry of Plantation Industries and Commodities as the executing agency (EA) to co-manage the funds and coordinate the implementation of the programme.

The Support Programme had ended with the completion of the projects at the end of November 2011. The results and outcome of four technical projects as well as the experiences and lessons learned during the implementation of the projects were shared at this closing workshop. Speakers from MTC, Sabah Forestry Department (SFD), Environment Protection Department (EPD) and the National Institute of Occupational Safety and Health (NIOSH) presented their findings on their respective projects.