

TJConsulting, Luxembourg

Assessment of the Malaysian Timber Certification Scheme (MTCS) against the requirements of the PEFC Council

Final report

16 June 2014

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1 Background

Malaysian Timber Certification Council (MTCC) has submitted the Malaysian Timber Certification Scheme (MTCS) (see chapter 6) for the re-endorsement by the PEFC Council. Following the PEFC Council's procedures identified in PEFC GD 1007:2012, the PEFC Council selected TJConsulting to carry out an independent and impartial assessment of the scheme documentation against the PEFC Council requirements.

MTCC was established in October 1998 as an independent organisation to develop and operate the Malaysian Timber Certification Scheme (MTCS). As a voluntary national scheme, the MTCS provides for independent assessment of forest management practices, to ensure the sustainable management of Malaysia's natural forest and forest plantations, as well as to meet the demand for certified timber products.

MTCC has become a PEFC Council's member on 22 November 2002 and the MTCS was first time endorsed on 1 May 2009 for a five years period. In 2012, the PEFC Council endorsed revised standard for natural forests [MC&I (Natural Forests)].

2 Objective

The objective of this assessment is to:

- a) Identify conformities and non-conformities of the submitted MTCS documentation with the PEFC Council requirements;
- b) Provide the PEFC Council Board of Directors with recommendation on the re-endorsement of the submitted MTCS documentation.

3 Impartiality claim

As the consultant for this assessment, neither TJConsulting nor Mr Jaroslav Tymrak (Principal of TJConsulting) has a vested interest in the development or the management of the scheme; was not involved by consulting or any other means in the revision of the scheme and has not provided any other consultancy services to the applicant.

TJConsulting was committed to undertake its assessment of the scheme based solely on submitted information and factual evidence in a professional and impartial manner.

4 Recommendation

TJConsulting **recommends** to the PEFC Council's Board of Directors that it should recommend to the PEFC Council General Assembly the **re-endorsement of the MTCS documentation** covered by this assessment¹.

¹ It should be noted that during the assessment, the MTCC forest management standard for forest plantations (MC&I – Forest Plantations) has been withdrawn from this assessment and TJConsulting does not therefore make any comments or recommendations relating to this standard.

5 Executive Summary

Standard setting

During this assessment, MTCC has decided to resolve non-conformities identified in the TJConsulting's interim report by revising its **standard setting procedures** and submitted a revised document (SSP 3/2014) that complies with the PEFC Council requirements of PEFC ST 1001.

The MTCS's **standard setting (revision) process** carried out during 2009 - 2012 was open, participatory, consensus based and well organised and recorded. The process **complies** with the PEFC Council requirements except for the following **minor non-conformity**:

- 1) Public consultation: results of received comments' consideration being public (5.6f)

MTCC has published all comments received during the public consultation. MTCC has however not submitted sufficient evidence that results of their consideration by the SRC would be publicly available.

Taking into account the relatively small impact of this minor non-conformity on the overall performance, credibility and transparency of the revision process, TJConsulting does not recommend that the non-conformity would need to be resolved by repeating the revision process or its parts.

For the PEFC requirement of the 5-years revision cycle (6.1), the assessment concluded a **minor non-conformity that is however justifiable**².

Details about the assessment and the scheme compliance can be found in chapter 8.2 of this report.

Group forest management certification

The MTCS scheme allows for certification at individual and group level. The requirements for group certification within the MTCS defined in GFMC 2/2014 **comply**³ with PEFC ST 1002.

Details about the assessment and the scheme compliance can be found in chapter 8.3 of this report.

² The "justifiable" minor non-conformities have been assigned in situations where the prescribed forest management system, socio-economic situation of the country or other factors make the PEFC requirement not applicable, irrelevant or not delivering its expected objective.

³ The content of GFMC 2/2014 has been copied with only small modifications from PEFC ST 1002. Although this fact has not been considered and reported as a non-conformity, this arrangement is not in line with the spirit of the PEFC Council's documentation. PEFC ST 1002 has been adopted by the PEFC Council as a meta-standard and there is a general expectation that its meta-standard requirements will be further detailed in the scheme specific requirements for group certification. The assessment would however only identify as a non-conformity those issues where although the text of GFMC 2/2014 and PEFC ST 1002 are identical, further detail is either explicitly envisaged by PEFC ST 1002 or is deemed necessary for meeting the objectives of PEFC ST 1002.

Sustainable forest management standard

MTCC submitted a well-designed and comprehensive forest management standard (MC&I Natural Forest) that is sufficiently detailed to allow independent and unambiguous assessment of forest management practices at the forest management unit level. MC&I (Natural Forest) sufficiently **complies** with the PEFC Council requirements.

For a few issues (conversion of agriculture abandoned land – 5.1.12, forest lightening – 5.2.6, usage of fertilizers – 5.2.12, and public access to forests – 5.6.5), the assessment concluded **minor non-conformities that are however justifiable⁴** and do not therefore require amendments to the MC&I standard or another MTCC corrective action.

Details about the assessment and the scheme compliance can be found in chapter 8.4 of this report.

Chain of custody requirements

MTCC provided evidence that PEFC ST 2002:2013 and PEFC ST 2002:2013 have been adopted as a part of the MTCS which complies with PEFC Council requirements.

Details about the assessment and the scheme compliance can be found in chapter 8.5 of this report.

Requirements for chain of custody certification bodies

MTCS 6/2014 makes reference to the PEFC Council's international requirements for certification bodies operating chain of custody certification (PEFC ST 2003:2012). By referring to PEFC ST 2003:2012, the MTCC **complies** with the PEFC Council requirements for chain of custody certification bodies.

Details about the assessment and the scheme compliance can be found in chapter 8.6.1 of this report.

Requirements for forest management certification bodies

The requirements for certification bodies, certification procedures and their accreditation that are defined in MTCS 6/2014 that **sufficiently complies** with the PEFC Council requirements.

Details about the assessment and the scheme compliance can be found in chapter 8.6.2 of this report.

⁴ The “justifiable” minor non-conformities have been assigned in situations where the prescribed forest management system, socio-economic situation or other factors make the PEFC requirement not applicable, irrelevant or not delivering its expected objective.

Requirements for dispute settlement in the administration of PEFC scheme

DRP 2/2013 defines detailed dispute settlement procedures that cover resolution of disputes relating to the notification of certification bodies and issuance of the PEFC Logo.

DRP 2/2013 **complies** with the PEFC Council requirements for dispute settlement in the administration of the PEFC scheme (PEFC GD 1004:2009).

Details about the assessment and the scheme compliance can be found in chapter 8.7 of this report.

Requirements for PEFC Logo licensing

MTCC defines its requirements for PEFC Logo licensing in LG 6/2014 that **complies** with PEFC GD 1004:2009.

Details about the assessment and the scheme compliance can be found in chapter 8.8 of this report.

Requirements for PEFC notification

MTCC defines the requirements and procedures for the notification of certification bodies in NCB 5/2014 that **complies** with the PEFC Council requirements (PEFC GD 1004, ch. 5).

Details about the assessment and the scheme compliance can be found in chapter 8.9 of this report.

6 Referenced documentation

The following documentation has been used for the assessment and referenced in this report:

PEFC Council requirements:

PEFC ST 1001:2010: Standard setting-Requirements

PEFC ST 1002:2010: Group forest management certification – Requirements

PEFC ST 1003:2010: Sustainable forest management – Requirements

PEFC ST 2002:2010: Chain of custody of forest based products – Requirements

PEFC ST 2002:2013: Chain of custody of forest based products – Requirements

PEFC ST 2003:2012: Requirements for certification bodies operating chain of custody certification against the PEFC Council international chain of custody standard

Annex 6 of the PEFC Technical Document: Certification and Accreditation Procedures

PEFC GD 1004:2009: Administration of PEFC scheme

PEFC GD 1007:2012 Endorsement and Mutual Recognition of National Systems and their Revision

PEFC IGD 1007-03:2012 The Assessment Report

Tender dossier Call for proposals for the assessment of the “MTCS” against PEFC Council Requirements (9 August 2013)

Clarification: Assessment report (31 October 2012)

MTCC's documentation

TJConsulting had access to the following documentation:

- documentation submitted by MTCC that was included in the tender dossier of 9 August 2013;
- additional documentation (evidence) relating to the standard setting submitted by MTCC on 1 November 2013;
- documentation submitted by MTCC on 10 December 2013 as a response to an interim report;
- documentation submitted by MTCC on 10 January 2014 as a response to an interim report.
- documentation submitted by MTCC (PEFC Council) on 20 May 2014 resolving non-conformities reported in the final report of 14 February 2014.
- GD-NF 2/2014 downloaded from the MTCC website on 16 June 2014.

The date of the submission of the documentation is identified where applicable. Where the normative documentation has been revised during the assessment process, the identification of the respective document has also been changed and the list below includes the respective document publication date, where applicable.

Normative requirements:

MC&I (Natural Forest)	Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)
SSP 3/2014	Rules on Standard Setting Process for Development of Timber Certification Standards (10/01/2014)
DRP 2/2013	Dispute Resolution Procedure (16/12/2013)
GFMC 2/2014	Group Forest Management Certification – Requirements (10/01/2014)
MTCS 6/2014	The Malaysian Timber Certification Scheme (MTCS) and Its Implementation Arrangement (10/01/2014)
LG 6/2014	Issuance of PEFC Logo Usage Licenses By MTCC (20/05/2014)
NCB 5/2014	Procedure for PEFC Notification of Certification Bodies Operating Forest Management System and/or Chain of Custody Certification (20/05/2014)
PEFC ST 2002:2010:	Chain of custody of forest based products – Requirements
PEFC ST 2001:2008	PEFC Logo usage rules

Guidance document

GD-NF 2/2014	Guidelines for the interpretation of requirements in MC&I (Natural Forest), Publication date 6 June 2014 (18/06/2014)
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Interpretation of Criterion 6.10 – forest conversion (covered by GD-NF 1/2014)

Information documents

PEFC Minimum requirements checklist (29 April 2013)

PEFC Council's letter of 15 October 2012 (approving changes to the MTCS)

Other information documents relating to the assessment of MC&I (Natural Forests)

(Submitted on 9 August 2013 and 1 November 2013)

- [1] Report on the revision of MC&I (Natural Forest)
- [2] Announcement (MTCC website): Invitation to the first public consultation (1 April 2009): <http://www.mtcc.com.my/news-items/announcement-review-of-the-mci2002-first-public-comment>
- [3] Announcement (MTCC website): Start of the review of the MC&I (2002), (10 March 2009) (<http://www.mtcc.com.my/news-items/review-of-the-malaysian-criteria-and-indicators-for-forest-management-certification-mci-2002>)
- [4] Invitation letter (6 October 2009) to the SRC meeting of 29-30 October 2009
- [5] Invitation letter (4 November 2009) to the SRC meeting of 15-16 December 2009

- [6] Minutes of the SRC meeting of 29-30 October 2009
- [7] Minutes of the SRC meeting of 15-16 December 2009
- [8] Announcement at the MTCC website (13 May 2011): public consultation on the final MC&I draft: <http://www.mtcc.com.my/news-items/annoucement-review-of-the-mci2002-third-public-comment-14-may-12-july-2011>
- [9] Reminder at the MTCC website (24 June 2011) of the public consultation on the final MC&I draft: <http://www.mtcc.com.my/news-items/reminder-to-submit-comments-on-the-final-draft-of-mci-natural-forest>
- [10] Availability of the final draft of MC&I (Natural Forest) for public consultation at the MTCC website: <http://www.mtcc.com.my/news-items/annoucement-review-of-the-mci2002-third-public-comment-14-may-12-july-2011>
- [11] Minutes of the SRC meeting of 20-22 September 2011
- [12] Announcement at the MTCC website: conclusion on the third public consultation: <http://www.mtcc.com.my/news-items/announcement-conclusion-of-third-public-comment-on-final-draft-mci-natural-forest>
- [13] Minutes of the Board of Trustees meeting of 6 December 2011
- [14] Website announcement on the publication of the MC&I (Natural Forest) standard: Use of MC&I (Natural Forest) for Certification of Natural Forest in Malaysia, <http://www.mtcc.com.my/news-items/use-of-mci-natural-forest-for-certification-of-natural-forest-in-malaysia>
- [15] MTCC website, availability of MC&I (Natural Forest) standard: <http://www.mtcc.com.my/certification-standards>
- [16] Announcement at the MTCC website of 27 April 2012: Transition Plan from the Use of the MC&I (2002) to the MC&I (Natural Forest) under the MTCS: <http://www.mtcc.com.my/news-items/transition-plan-from-the-use-of-the-mci2002-to-the-mcinatural-forest-under-the-mtcs>

Other information documents relating to the assessment of MC&I (Natural Forests)

(Submitted on 10 December 2013)⁵

- [17] MTCC Response to the TJConsulting's interim report
- [18] Minutes of the meeting of the Board of Trustees of 6 December 2011 (Appendix I), identical with [13]
- [19] Members and alternate members of the SRC (Appendix III)
- [20] Website announcement of the third public consultation (Appendix Va), identical with [10]
- [21] Direct letter to stakeholders on the third public consultation (Appendix Vb)
- [22] Extracts of the third meeting of the SRC (Appendix VI), identical with [11]
- [23] Interpretation of Criterion 6.10 – forest conversion (Appendix VII)
- [24] National Forestry Act, 1984
- [25] Feedback on consideration of unratified ILO conventions (Appendix IX)

⁵ The list below does not include revised normative or guidance documentation that is identified under the chapter Normative and Guidance documentation.

- [26] Amendment to the scheme document – Decision paper of the Board of Trustees 49/2011/Ppr. 7 (Appendix XI)
- [27] Notification contract example – local certification body (Appendix XIIa)
- [28] Notification contract example – overseas certification body (Appendix XIIb)

Other information documents relating to the assessment of MC&I (Natural Forests)

(Submitted on 10 January 2014)⁶

- [29] Updated MTCC Response to the TJConsulting's interim report
- [30] Minutes of the third meeting of the SRC (20-22 December 2011), Appendix VI
- [31] Forestry Manual 2003 - Chapter 17, Appendix XI, translation into English
- [32] Letter from MOHR on ILO, Appendix XIII
- [33] Forestry Manual 2003 – Chapter 7 Appendix IX, translation into English
- [34] Excerpts of the Minutes of the MTCC Board of Trustees, 16 December 2013

Abbreviations

DRC	Dispute Resolution Committee
FMU	Forest Management Unit
FPIC	Free Prior and Informed Consent
HCVF	High Conservation Value Forest
IAF	International Accreditation Forum
MTCC	Malaysian Timber Certification Council
MTCS	Malaysian Timber Certification Scheme
SFM	Sustainable Forest Management
SRC	Standards Review Committee
UNDRIP	United Nations Declaration of the Rights of Indigenous Peoples, 2007

⁶ The list below does not include revised normative or guidance documentation that is identified under the chapter Normative and Guidance documentation. The list also does not include documentation that was already submitted on 10 December 2013.

7 Methodology and timetable

7.1 Scope of the assessment

The assessment was carried out based on PEFC GD 1007:2012, the tender dossier of 9 August 2013 and the TJConsulting's tender of 5 September 2013 proposal for the assessment of the MTCS.

The assessment was carried out as a desk-top exercise based on the documentation that was provided by MTCC as a part of its application for the PEFC re-endorsement and during the assessment process (see chapter 6).

The assessment also considered comments and documentation submitted as a part of the PEFC's international consultation and TJConsulting's survey amongst Malaysian's stakeholders.

Following an e-mail from the PEFC Council of 1 November 2013 advising that the MTCC standard for plantation forests had been excluded from the assessment, it wasn't therefore covered by this assessment and report.

After the end of the assessment process, the PEFC Council requested TJConsulting to evaluate additional revised documentation resolving non-conformities identified in the final report of 14 February 2014.

7.2 Assessment process

The following table describes the assessment process that is based on and fully conformant with PEFC IGD 1007-03:2012, the tender dossier of 9 April 2013 and the tender proposal of 5 September 2013.

Stage	Description	Output	Time period
Start of the assessment	PEFC Council announced the start of the assessment process on 14 October 2013. TJConsulting, the PEFC Council and the applicant agreed on the specific dates/deadlines of the assessment.	The PEFC announcement on the commencement of the assessment	14 Oct 2013
Stage 1 assessment	The stage 1 assessment was based on the documentation referred to in the tender dossier and other documentation submitted before the start of the assessment. In addition TJConsulting asked for and received from MTCC additional documentation and evidence (See chapter 6). Stage 1 assessment also included distribution of the stakeholders questionnaire and its analysis (see chapter 8.1.2).	Interim report	14 Oct – 19 Nov 2013
Comment period	The PEFC Council and MTCC were provided with an interim assessment report for their comments and responses.	MTCC response to the interim report	19 Nov – 10 Dec 2013

Stage 2 assessment	TJConsulting considered all comments, responses and documentation submitted by MTCC. During this stage MTCC applied and was provided with an interruption of the assessment process until 10 January 2014.	Final draft report	10 Dec – 17 Dec 2013 10 Jan 2014 – 24 Jan 2014
Public consultation	The PEFC Council has organised a public two months consultation that provided stakeholders with an opportunity to submit comments on the compliance of the MTCS with the PEFC Council's requirement. The comments received were considered during the stage 1 and stage 2 assessment.		13 Aug – 12 Oct 2013
Panel of Experts (PoE) review	The Panel of Experts (PoE) consisting by Mr Mark Edwards, Mr Kent Gustavsson and Mr Hannu Valtanen reviewed the draft final report and provided TJConsulting with comments.	PoE comments	24 Jan 2014 – 7 Feb 2014
Consideration of the Panel's comments	The comments were incorporated into the report. Responses to individual comments of the PoE are provided in Annex 4 to this report.	Final report	7 Feb 2014 – 14 Feb 2014
Additional assessment	Assessment of revised documentation addressing non-conformities identified in the final report of 14 February 2014.	Final report	28-29 May 2014

7.3 Classification of non-conformities

The assessment provides for three types of decision relating to the scheme conformity with the PEFC Council's requirements as indicated in chapter 7.2.2.4.1.2 of PEFC GD 1007:

Major non-conformity: A major non-conformity violates the integrity of the certification system and has to be corrected before the endorsement of the system.

Minor non-conformity: A minor non-conformity does not violate the integrity of the certification system, and is not a bar to endorsement. The assessor recommends appropriate corrective action. Generally, a minor non-conformity should be corrected within 6 months. The assessor may recommend a longer period where justified by particular circumstances.

Conformity: A procedure described by the scheme documentation fully meets the particular requirement of the PEFC Council.

This report also uses the conclusion of a “**minor non-conformity (justifiable)**” that has been assigned in situations where the prescribed forest management system, socio-economic situation of the country or other factors make the PEFC requirement not applicable, irrelevant or not delivering its expected objective.

8 Assessment

8.1 Assessment of the structure of the MTCS

The PEFC Council does not have any requirements relating to the structure of national forest certification schemes. Therefore, the text below illustrates the overall context and some implementation issues relating to the structure and clarity of the scheme's documentation. They are not reported as non-conformities and should be regarded as observations and areas for the scheme's future improvement.

From the MTCC application for the PEFC re-endorsement and its submitted documentation, it is not evident that there is any fixed structure of the MTCC documentation. Neither does the identification of the documents provides for some logical framework within which the individual documents of the MTCC scheme have been adopted.

However, the MTCC website (www.mtcc.com.my) structures the MTCS documentation into (i) certification standards for forest management certification, (ii) certification standards for chain of custody certification and (iii) technical documents.

Certification standards for forest management certification	
MC&I (Natural Forest)	Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)
MC&I (Forest Plantations)	Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations)
Certification standards for chain of custody certification	
PEFC ST 2002:2010	Chain of custody of forest based products - Requirements
PEFC ST 2002:2013	Chain of custody of forest based products - Requirements
Technical documents	
SSP 3/2014	Rules on Standard Setting Process for Development of Timber Certification Standards
DRP 2/2013	Dispute Resolution Procedure
GFMC 2/2014	Group Forest Management Certification - Requirements
MTCS 6/2014	The Malaysian Timber Certification Scheme (MTCS) and Its Implementation Arrangement
LG 6/2014	Issuance of PEFC Logo Usage Licenses By MTCC
NCB 5/2014	Procedure for PEFC Notification of Certification Bodies Operating Forest Management System and/or Chain of Custody Certification
PEFC ST 2001:2008	PEFC Logo usage rules
PEFC GD 2001:2011	Chain of custody of forest based products – guidance for use.

Observations

- a) The MTCC has developed its own scheme specific documentation by using, without or only with slight modifications, the PEFC Council's meta-standards (e.g. PEFC ST 1001:2010 is nearly identical with SSP 3/2014 or GFMC 2/2014 is nearly identical with PEFC ST 1002:2010). It should be noted that those PEFC Council standards have been developed as meta-standards with a general expectation that the documentation of the national scheme documentation will be more detailed. This general spirit of the PEFC Council's Technical Documentation is not followed by the MTCS. See the assessment of the standard setting procedures (ch. 8.2) and group forest management certification (ch. 8.3 of this report).
- b) In MTCC 6/2014, MTCS requires that the certification bodies operating chain of custody certification shall comply with PEFC ST 2003:2012. As PEFC ST 2003:2012 has been adopted by the PEFC Council as "Requirements for scheme users", it is in general expected that PEFC endorsed scheme would adopt this modification without modification and will not develop additional scheme specific requirements for this element of the scheme.

8.2 Requirements for standard setting

8.2.1 Introduction and summary

8.2.1.1 Standard setting procedures

Applicable standard setting procedures

PEFC ST 1001:2010 requires that the standard setting body shall have written standard setting procedures and outlines elements that have to be covered by those procedures. The PEFC Council minimum requirements checklist (PEFC IG 1007-01:2012) then specifies the requirements of PEFC ST 1001:2010 that have to be included and assessed in the standardisation body's written procedures.

The assessment results are based on SSP 3/2014 although those procedures were not available during the revision process itself (2009-2011) and were not governing the respective standard setting process. The decision to base the assessment on this document was mainly based on the fact that:

- i) The requirements of PEFC ST 1001:2010 were not available to MTCC at the time of the start of the standard setting process (2009);
- ii) SSP 3/2014 already considered the new PEFC Council requirements of PEFC ST 1001:2010 and has already resolved possible non-conformities that would be found in the assessment of the original procedures;
- iii) SSP 3/2014 has incorporate changes to resolve non-conformities identified in an interim report of this assessment.

Design of the MTCC standard setting procedures (SSP 3/2014)

The content of SSP 3/2014 has been copied with only small modifications from PEFC ST 1001. Although this fact has not been considered and reported as a non-conformity⁷, this arrangement doesn't align with the spirit of the PEFC Council's documentation. PEFC ST 1001 has been adopted by the PEFC Council as a meta-standard (Requirements for certification schemes) and there is a general expectations that its meta-standard requirements will be further detailed in the scheme specific standard setting procedures.

It should be noted that MTCC revised the standard setting procedures (SSP 3/2014) during this assessment to resolve non-conformities identified in the interim report and further detail has been added for those issues that although identical with PEFC ST 1001 required more detailed procedures to meet the objectives of PEFC ST 1001.

Compliance of the MTCC's standard setting procedures (SSP 3/2014) with the PEFC requirements

SSP 3/2014 fully complies with the PEFC requirements for the standard setting defined in PEFC ST 1001:2010.

⁷ The PEFC Council does not have a specific policy to what extent national schemes are allowed to adopt the PEFC Council international documentation. However, the PEFC Council differentiate between standards with "Requirements for certification schemes" and with "Requirements for certification users". It is in general expected that the PEFC Council international standard with "Requirements for certification schemes" (e.g. PEFC ST 1001) is a meta-standard that will be implemented within the scheme's specific and more detailed documentation and the PEFC Council's international standards with "Requirements for certification users" (PEFC ST 2002) will be adopted by the national schemes without any modifications.

8.2.1.2 Standard setting process

Applicability of the PEFC Council requirement

MTCC started the revision process in February – March 2009 before the PEFC Council requirements of PEFC ST 1001 were adopted and even before they have been known as a part of a draft documentation. This assessment of the revision process therefore uses the retroactive approach of the application of the PEFC requirements and this fact needs to be taken into account when interpreting the results of this assessment, in particular those parts of the process that took place before November 2010 (when PEFC ST 1001 was formally adopted).

Summary of the standard setting process

MTCC has carried out a robust and inclusive revision process of MC&I (2002) that resulted in adoption of new standard MC&I (Natural Forests). The process was well managed and recorded. MTCC has efficiently used its website as the main channel for communication with stakeholders and organised several events over and above the PEFC Council requirements to encourage stakeholders' participation and to incorporate their view.

- MTCC identified relevant stakeholders before the standard setting itself. The list also included disadvantaged and key stakeholders. Identification of constraints of their participation and ways for their mitigations had not been done in a systemic manner⁸ although MTCC offered reimbursement of costs for some stakeholder groups.
- The process started in February – March 2009 by inviting relevant stakeholders to form the Standards Review Committee (SRC) and by announcing the start of the revision process in public, mainly through the MTCC website and direct letters to stakeholders. The announcement included all necessary information the basis of which would allow any stakeholder could clearly understand the scope and timetable of the revision work, rules and procedures for the revision work; and possibility/opportunity for stakeholders' participation.
- MTCC established a 15-member SRC (See Annex 2 to this report) with balanced representation of five stakeholder categories and with a balance of representation of the three Malaysian regions (Peninsular, Sarawak, Sabah). The work of the SRC was well organised by the MTCC Secretariat, including availability of draft standards and supporting documentation; organisation of meetings and its recording.

⁸ It should be noted that this PEFC Council requirement was not known to MTCC at the time of the commencement of the standard setting process.

Region Stakeholder Group \	Sabah	Sarawak	Peninsular Malaysia	Malaysia
Environmental	1	1	1	3
Economic	1	1	1	3
Social – Indigenous People	1	1	1	3
Social – Workers Union	1	1	1	3
Relevant Government Agency	1	1	1	3
Total	5	5	5	15

- The work of the SRC was supported by a **5-member Panel of Experts** with representation of technical experts and academic community without a specific stakeholder interest.
- MTCC carried out **3 public consultations**:
 - the first on the identification of issues of MC&I (2002) to be revised, deleted or amended (1 April -31 May 2009);
 - the second on the first draft of MC&I (Natural Forest), (10 March – 9 April 2010), and
 - the third on the Final draft of MC&I (Natural Forest), 14 May-12 July 2011.

The second draft was presented and discussed at **three public seminars** in Kuching on 19-20 July 2010 (Sarawak); in Kota Kinabalu (Sabah) on 22-23 July 2010; and in Kuala Lumpur (Peninsular) on 26-27 July 2010.

The comments from all those consultations were considered by the Panel of Experts and by the SRC.

- The final draft was discussed and agreed at the last SRC meeting in September 2011 and was adopted by the MTCC Board of Trustees in December 2012.
- The final draft was published at the MTCC website and a final transition plan for the implementation of the MC&I (Natural Forest) standard was approved and distributed in March 2012; published at the MTCC website in April 2012.

Compliance of the standard setting process with the PEFC ST 1001

The detailed assessment in 8.2.3 identifies the following minor non-conformities of the MTCS revision process with the PEFC ST 1001, where the second non-conformity has been considered as “justifiable”:

- 5.6f: **Public consultation: comments and results of their consideration being public**

MTCC has published all comments received during the public consultation. MTCC has not however submitted sufficient evidence to demonstrate that results of their consideration by the SRC at its meeting on 20-22 September 2011 have been made publicly available.

6.1 5-years revision cycle (justifiable)

MTCC revised the MC&I (2002) 7 years after its original adoption (2004-2011).

However, the non-conformity has been considered as “justifiable” for the following reasons:

- (i) the start of the application of the MC&I (2002) standard was delayed, so was also delayed the start of the revision process;
- (ii) MTCC has chosen to provide the process and stakeholders involved with sufficient time to reach a consensus on the standard's content rather than to shorten the process in order to satisfy the 5 years cycle.

8.2.2 Stakeholders interview

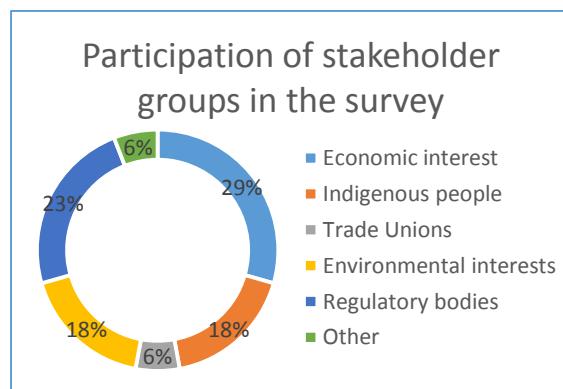
TJConsulting distributed a questionnaire to more than 150 stakeholders in Malaysia that covered all stakeholder groups relevant to sustainable forest management with a request to provide feedback on the standard setting/revision process of the MC&I (Natural Forest).

TJConsulting provided stakeholders with a three weeks response period between 8 and 29 November 2013. However also responses submitted after the deadline were considered. The results of the survey were taken into consideration in the MTCS assessment. However, it should be noted that any interpretation of the survey results should take into consideration the limited number of received responses.

The questionnaire used in the survey is shown in Annex 1 to this report.

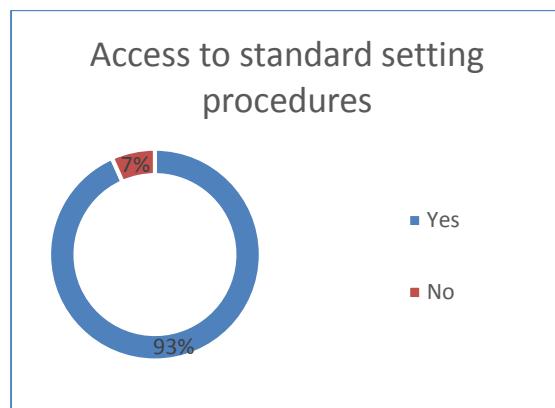
Participation in the stakeholders' survey

17 stakeholders submitted their responses covering major stakeholder groups as well as those stakeholders that actively participated in the SRC's work (12 responses).



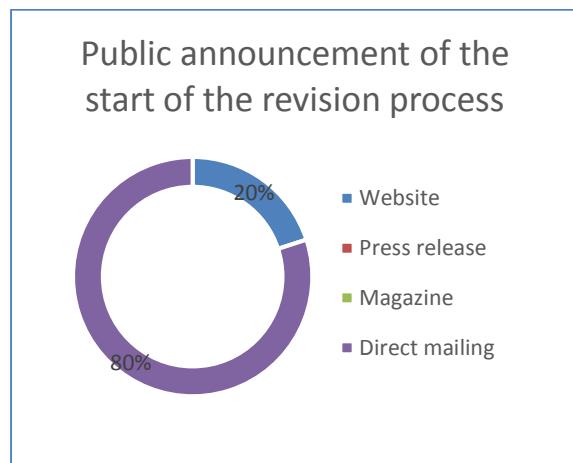
Access to standard setting procedures

The majority of respondents (14) indicated that they had had an access to the MTCS's standard setting procedures. 1 respondent indicated that it had no access to the standard setting procedures.



Public announcement of the start of the standard setting process

All respondents responded that they had noticed the announcement of the start of the revision process. Majority of them received the information through a direct mailing.



Invitation to nominate representatives to the SRC

The majority of members indicated that they had received the invitation to nominate a representative to the SRC by a direct mailing. It should be noted that one respondent who indicated that he has not received an invitation to nominate a representative finally became a member of the SRC. All respondents who noted that they had submitted their nominations indicated that the nominations had been accepted by the MTCC.



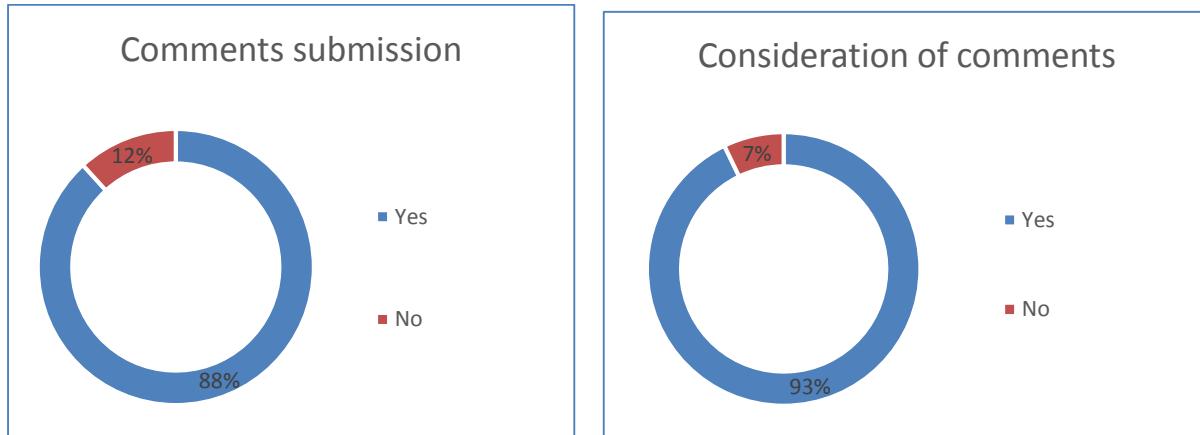
Announcement of the public consultation

All respondents indicated that they had noticed an announcement of the public consultation; a majority of them by a direct mailing.



Consideration of comments from public consultation

A majority of respondents indicated that they had submitted comments during the public consultation and that their comments have been considered. One respondent that indicated that his comments were not considered had clarified that he referred to non-acceptance of his comments/suggestions rather than that the comments had not been presented and discussed by the SRC.



Submission of complaints

A majority of respondents indicated that they had not submitted to the MTCC a complaint relating to the standard setting / revision process. One respondent indicating the submission of a complaint clarified that he complained to the MTCC that his comments in the public consultation were not considered and that this was corrected by the MTCC immediately. The other respondent with economic interest indicated that he complained that the participation of indigenous people as a separate stakeholder group does not represent balanced representation.



Open and transparent work of the SRC and consensus reached by the SRC

All respondents (11) that responded to the question of the SRC's openness and transparency indicated that the work of the SRC had been open and transparent. A majority of the respondents indicated that the SRC had reached a consensus. One negative vote referred to the fact that the environmental interest was "over-voted". It should however be noted that this stakeholder did not participate in the last SRC's meeting and the final discussion on the standard's content.



8.2.3 Detailed assessment⁹

PEFC ST 1001, 4.1		
4.1 The standardising body shall have written procedures for standard-setting activities describing:		
a) its status and structure, including a body responsible for consensus building (see 4.4) and for formal adoption of the standard (see 5.11),	Procedures	<p>SSP 3/2014 considers MTCC as the standardisation body (4.1); ch. 4.5 requires that the standardisation body to establish a permanent or temporary working group/committee responsible for consensus building; ch. 5.11 requires that the MTCC Board of Trustees shall formally approve the standards and normative documents.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 defines bodies within the MTCC organisation responsible for the standard setting activities.</p>
b) the record-keeping procedures	Procedures	<p>SSP 3/2014, 4.2b states that the standardisation body shall have “records keeping procedures” for standard setting.</p> <p>Chapter 4.4 requires to keep records on the standard setting for at least five years and to make them available to interested parties upon request.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 requires the standardisation body to have records-keeping procedures.</p>
c) the procedures for balanced representation of stakeholders,	Procedures	<p>SSP 3/2014, 4.2 c requires that the standardisation body shall have procedures for balanced representation on the working group/committee.</p> <p>SSP 3/2014, 4.5 then includes general requirements for balanced representation on the working group/committee.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 includes procedures for balanced representation of stakeholders within the working group.</p> <p>Note: this conclusion only applies to the presence of procedures, not to the evaluation of whether those procedures provide for balanced representation or not.</p>

⁹ The numbers in brackets [] identify referenced documentation as listed in chapter 6

d) the standard-setting process,	Procedures	<p>SSP 3/2014, ch. 5 includes procedures for the standard setting process.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 includes procedures for standard-setting process.</p>
e) the mechanism for reaching consensus, and	Procedures	<p>SSP 3/2014, ch. 5.8 and 5.9 define procedures for consensus building.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 includes procedures for consensus building within the working group/committee.</p> <p>Note: This conclusion only applies to the presence of procedures for consensus building and not for their content.</p>
f) revision of standards/normative documents.	Procedures	<p>SSP 3/2014, ch. 6 defines procedures for revision of standards.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 defines procedures for the revision of standards.</p>

PEFC ST 1001, 4.2

4.2 The standardising body shall make its standard-setting procedures publicly available and shall regularly review its standard-setting procedures including consideration of comments from stakeholders.

Procedures	<p>SSP 3/2014, ch. 4.2 requires that the standardisation body shall make its standard setting procedures publicly available and that they shall be reviewed regularly including consideration of comments from stakeholders.</p> <p>Compliance: Conformity</p>
Process	<p>SSP 3/2014 is publicly available through the MTCC's website: http://www.mtcc.com.my/technical-documents.</p> <p>The MTCS's standard setting procedures SSP 1/2008 have been revised in 2009 (SSP 1/2009), in 2012 (SSP 2/2012) and during this assessment process (SSP 3/2014).</p> <p>Compliance: Conformity</p> <p>Justification: MTCS standard setting procedures are publicly available and have been revised twice between 2008 -2012.</p>

PEFC ST 1001, 4.3

4.3 The standardising body shall keep records relating to the standard-setting process providing evidence of compliance with the requirements of this document and the standardising body's own procedures. The records shall be kept for a minimum of five years and shall be available to interested parties upon request.

Procedures	SSP 3/2014, ch. 4.4 requires that the standardisation body shall keep records for a minimum of five years and that those records shall be made available to interested parties. Compliance: Conformity
Process	As a part of the application for the PEFC endorsement and during the course of this assessment, MTCC submitted a whole range of documents and records (see chapter 6) relating to the standard setting / revision process. Compliance: Conformity Justification: The presentation of records as a part of the endorsement application and during this assessment provides sufficient evidence that the relevant records have been kept. TJConsulting has not received any information (either through the PEFC International public consultation or TJConsulting's questionnaire sent to stakeholders) that MTCC would reject any request for availability of records.

PEFC ST 1001, 4.4

4.4 The standardising body shall establish a permanent or temporary working group/committee responsible for standard-setting activities.

Procedures	SSP 3/2014 requires establishing a working group/committee that is responsible for the management of the standard setting process and for building consensus upon the requirements of the scheme. Compliance: Conformity Justification: SSP 3/2014 sufficiently covers the requirement.
Process	MTCC established a 15-member Standards Review Committee (SRC) that was responsible for the revision of the forest management standard. The list of the SRC is provided in Annex II of the Report on the revision of MC&I (Natural Forest) ^[1] . Compliance: Conformity

PEFC ST 1001, 4.4 a	
4.4 a [The working group/committee shall]: be accessible to materially and directly affected stakeholders,	
Procedures	<p>SSP 3/2014, ch. 4.5a requires that the working group/committee shall be accessible to materially and directly affected stakeholders.</p> <p>SSP 3/2014 requires that the standardisation body shall make a public invitation of stakeholders to nominate their representatives to the working group/committee (5.3c) and that members are accepted based on the received nominations.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 ensures that membership in the working group/committee is accessible to stakeholders as the invitation to nominate representatives is public and membership is accepted based on received nominations.</p>
Process	<p>MTCC invited stakeholders to nominate their representatives to the SRC by a letter distributed to the identified stakeholders (Annex V to the Report on the revision of MC&I (Natural Forest)^[1]) and by a letter distributed to the identified indigenous people's organisations (Annex III to the Report on the revision of MC&I (Natural Forest)^[1]).</p> <p>The invitation for the nomination of representatives to the SRC also allowed stakeholders to decide on their own representatives in the SRC.</p> <p>The announcement of the review of the MC&I^[3] included information and reference to a list of stakeholders that have been invited to apply for nominations to the SRC. The announcement did not invite stakeholders outside this list to apply for nomination to the SRC.</p> <p>Compliance: Conformity</p> <p>Justification: Although MTCC has not published a general public invitation to nominate representatives to the SRC, the conformity has been assigned based on the following facts that ensure accessibility of the SRC to stakeholders:</p> <ul style="list-style-type: none"> a) The list of invited stakeholders covers broad spectrum of stakeholders and was not created in a selective manner; b) The invited stakeholders were given an opportunity to select their own representatives; they could have done so within the invited stakeholders but were also not limited to search for their representatives outside the list; c) The public announcement included a list of stakeholders that were invited to nominate representatives on the SRC. Stakeholders outside the list and interested in the process were not restricted to contact the relevant stakeholder group and propose their nomination. <p>It should also be noted that the invitation was made in February/March 2009 when the requirements of PEFC ST 1001 were not known and that MTCC would fully comply with the PEFC Council requirements applicable at that time.</p>

PEFC ST 1001, 4.4 b

4.4 b [The working group/committee shall]: have balanced representation and decision-making by stakeholder categories relevant to the subject matter and geographical scope of the standard where single concerned interests shall not dominate nor be dominated in the process

Procedures	<p>SSP 3/2014, ch. 4.5b requires that the working group/committee shall have balanced representation and decision-making by stakeholder categories relevant to the subject matter with equal representation of the following stakeholder groups: environmental, economic, social (indigenous peoples), social (workers' union), and relevant government agencies, and with balanced representation from the three geographical regions covering Sabah, Sarawak and Peninsular Malaysia, where single concerned interests shall not dominate nor be dominated in the process.</p> <p>SSP 3/2014, ch. 5.11 requires that the formal approval of standards shall be supported by at least 2/3 majority of the working group/committee members. Chapters 5.8 – 5.9 requires identification and resolution of all sustained oppositions on important issues.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the PEFC requirements.</p>
Process	<p>Following the list of the SRC's members presented in Annex II to Report on the revision of MC&I (Natural Forest)^[1], the MTCC has established the SRC consisting of 15 members with 5 members representing each of the regions of Malaysia (Peninsular Malaysia, Sarawak and Sabah). Within each of the regional "chambers" the following stakeholder groups have one seat each: indigenous people, workers' organisations, environmental interest, economic interest and regulatory authorities.</p> <p>The composition of the SRC is presented in Annex II to this report.</p> <p>Compliance: Conformity</p> <p>Justification: The SRC provides for balanced representation amongst the five stakeholder groups as well as balanced representation of the three Malaysian regions.</p>

PEFC ST 1001, 4.4 c

4.4c [The working group/committee shall]: include stakeholders with expertise relevant to the subject matter of the standard, those that are materially affected by the standard, and those that can influence the implementation of the standard. The materially affected stakeholders shall represent a meaningful segment of the participants.

Procedures	<p>SSP 3/2014, ch. 4.5b requires that the working group/committee shall have balanced representation and decision-making by stakeholder categories relevant to the subject matter with equal representation of the following stakeholder groups: environmental, economic, social (indigenous peoples), social (workers' union), and relevant government agencies, and with balanced representation from the three geographical regions covering Sabah, Sarawak and Peninsular Malaysia, where single concerned interests shall not dominate nor be dominated in the process.</p> <p>SSP 3/2014, ch. 4.5 c copies the requirement of PEFC ST 1001, 4,4c and requires that the working group/committee shall include stakeholders with expertise relevant to the subject matter of the standard, those that are materially affected and those that can influence the implementation of the standard. The materially affected stakeholders shall represent a meaningful segment of participants.</p>
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	<p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 includes general requirements for the expertise of the working group/committee members and representation of materially affected stakeholders. The five stakeholder categories sufficiently cover the experience in areas of sustainable forest management and stakeholders affected by the standard (economic interest) are sufficiently represented.</p>
Process	<p>Following the list of the SRC's members presented in Annex II to Report on the revision of MC&I (Natural Forest)^[1], the MTCC has established the SRC consisting of 15 members with 5 members representing each of the regions of Malaysia (Peninsular Malaysia, Sarawak and Sabah). Within each of the regional "chambers" the following stakeholder groups have one seat each: indigenous people, workers' organisations, environmental interest, economic interest and regulatory authorities.</p> <p>The composition of the SRC is presented in Annex II to this report.</p> <p>In addition, the MTCC has established a Panel of Experts consisting of experts in economic, environmental and social aspects that supported the SRC in its work^[1].</p> <p>Compliance: Conformity</p> <p>Justification: The economic interest (affected by the standard) represents 20 % of the SRC's seats that is considered as meaningful participation. The expertise is provided by all stakeholder groups on the SRC for their respective area of interest.</p>

PEFC ST 1001, 4.5	
4.5 The standardising body shall establish procedures for dealing with any substantive and procedural complaints relating to the standardising activities which are accessible to stakeholders.	
Procedures	<p>SSP 3/2014, ch. 4.6 requires that the standardisation body shall establish procedures for dispute settlement.</p> <p>The MTCS's dispute procedures are defined in DRP 2/2013. Chapter 2.2 of DRP 2/2013 states that the scope of the Dispute Resolution Procedures covers "MTCC's role in supporting and coordinating the standard-setting process".</p> <p>Compliance: Conformity</p> <p>Justification: MTCS has procedures that cover the standard setting process.</p>
Process	<p>MTCC claims in its submitted Checklist that MTCC has not received any complaint regarding the standard setting process.</p> <p>TJConsulting has received information through the TJConsulting's questionnaire sent to the stakeholders, see chapter 8.2.2) from two stakeholders that indicated that they have complained. Those concerns were resolved outside the MTCS's formal dispute settlement procedures.</p> <p>Compliance: Conformity</p> <p>Justification: There is sufficient confidence that MTCC had not received complaints that would require to use the complaints resolution procedures.</p>

PEFC ST 1001, 4.5	
4.5a [Upon receipt of the complaint, the standard-setting body shall]: a) acknowledge receipt of the complaint to the complainant,	
Procedures	<p>SSP 3/2014, ch. 4.6 requires that the standardisation body shall establish procedures for dispute settlement.</p> <p>DRP 2/2013, ch. 4.1.2 requires that the Chair of the Dispute Resolution Committee shall acknowledge receipt of all disputes in writing.</p> <p>Compliance: Conformity</p> <p>Justification: DRP 2/2013 satisfies the requirement.</p>
Process	<p>MTCC claims in the submitted Checklist that MTCC has not received any complaint regarding the standard setting process.</p> <p>TJConsulting has received information through the TJConsulting's questionnaire sent to the stakeholders, see chapter 8.2.2) from two stakeholders that indicated that they have complained. Those concerns were resolved outside the MTCS's formal dispute settlement procedures.</p>
4.5b [Upon receipt of the complaint, the standard-setting body shall]: b) gather and verify all necessary information to validate the complaint, impartially and objectively evaluate the subject matter of the complaint, and make a decision upon the complaint.	
Procedures	<p>SSP 3/2014, ch. 4.6 requires that the standardisation body shall establish procedures for dispute settlement.</p> <p>DRP 2/2013, ch. 3.1 requires that a permanent 3-member Dispute Resolution Committee (DRC) is set up by the MTCC's Board of Trustees, Chapter 7.1 and 7.2 resolve a potential conflict of interests of the DRC's members.</p> <p>Chapter 4.4 requires MTCC to invite parties concerned by the complaint to provide their response in writing and chapter 4.5 requests the DRC to consider the compliant based on information included in the complaint and responses of the concerned parties. The decision of the DRC is final (4.5.5)</p> <p>Compliance: Conformity</p> <p>Justification: DRP 2/2013 requires impartial investigation and decision making of the complaint.</p>
Process	<p>MTCC claims in the submitted Checklist that MTCC has not received any complaint regarding the standard setting process.</p> <p>TJConsulting has received information through the TJConsulting's questionnaire sent to the stakeholders, see chapter 8.2.2) from two stakeholders that indicated that they have complained. Those concerns were resolved outside the MTCS's formal dispute settlement procedures.</p>
4.5 [Upon receipt of the complaint, the standard-setting body shall]: c) formally communicate the decision on the complaint and of the complaint handling process to the complainant.	
Procedures	<p>SSP 3/2014, ch. 4.6 requires that the standardisation body shall establish procedures for dispute settlement.</p> <p>DRP 2/2013, ch. 4.5.6 requires that the DRC shall inform the complainant, MTCC and other responding parties about the outcome of the dispute resolution process, including recommendations or remedial actions, in writing.</p>

	<p>Compliance: Conformity</p> <p>Justification: DRP 2/2013 satisfies the requirement.</p>
Process	<p>MTCC claims in the submitted Checklist that MTCC has not received any complaint regarding the standard setting process.</p> <p>TJConsulting has received information through the TJConsulting's questionnaire sent to the stakeholders, see chapter 8.2.2) from two stakeholders that indicated that they have complained. Those concerns were resolved outside the MTCS's formal dispute settlement procedures.</p>

PEFC ST 1001, 4.6

4.6 The standardising body shall establish at least one contact point for enquiries and complaints relating to its standard-setting activities. The contact point shall be made easily available.

	<p>DRP 2/2013 requires that all disputes shall be submitted to the Chair of the DRC with a copy to the Chairman of the MTCC. Therefore the Chair of the DRC is considered as the contact point for the dispute settlement.</p> <p>The MTCC website: http://www.mtcc.com.my/certification-programme provides contact details for the Chair of the DRC and information that any complaint shall be submitted to the DRC Chair with a copy to the MTCC Chairman.</p> <p>Compliance: Conformity</p> <p>Justification: The DRP procedures together with information at the MTCC website satisfy the requirement.</p>
Procedures	

PEFC ST 1001, 5.1

5.1 The standardising body shall identify stakeholders relevant to the objectives and scope of the standard-setting work.

	<p>SSP 3/2014, ch. 5.1 requires that the standardisation body shall identify stakeholders relevant to the objectives and scope of the standard setting work.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>MTCC presented in Appendix III and Appendix IV of the Report on the revision of MC&I (Natural Forest)^[1] letters to stakeholders about the start of the standard setting process and creation of the SRC, including a list of stakeholders to whom the letter was sent. The list includes a broad range of stakeholders covering indigenous people, workers' organisations, economic and environmental interests and regulatory authorities.</p> <p>The list of stakeholders has also been presented as a part of the announcement of the start of the process at the MTCC website^[3].</p> <p>Compliance: Conformity</p> <p>Justification: The MTCC has identified, before the start of the standard setting process, the relevant stakeholders although this had not probably been done as a part of a systemic stakeholder mapping process (see a note to PEFC ST 1001, 5.1).</p> <p>It should be noted that the MTCC had started the process in 2009 while the PEFC Council only adopted this requirement in November 2010.</p>

PEFC ST 1001, 5.2

5.2 The standardising body shall identify disadvantaged and key stakeholders. The standardising body shall address the constraints of their participation and proactively seek their participation and contribution in the standard-setting activities.

Procedures	<p>SSP 3/2014, ch. 5.2 requires the standardisation body to identify disadvantaged and key stakeholders.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>MTCC presented in the Appendix III and Appendix V of the Report on the revision of MC&I (Natural Forest) [1] letters to stakeholders about the start of the standard setting process and creation of the SRC, including a list of stakeholders to whom the letter was sent. The letter to indigenous people's organisations also includes an information that the MTCC can provide financial assistance for their participation.</p> <p>Compliance: Conformity</p> <p>Justification: The compliance has been assigned taking into account that the MTCC started the process before this specific requirement was adopted by the PEFC Council and before the requirement was known to MTCC. Although MTCC did not have a systemic approach in identifying disadvantaged and key stakeholders, their constraints and means for their resolution, it has identified indigenous people as "disadvantaged" due to their financial constraints and offered them financial assistance.</p> <p>Similarly, MTCC identified "key" organisations (Appendix V) [1] that were invited by a direct letter to nominate their representatives to the SRC.</p>

PEFC ST 1001, 5.3

5.3 The standardising body shall make a public announcement of the start of the standard-setting process and include an invitation for participation in a timely manner on its website and in suitable media as appropriate to afford stakeholders an opportunity for meaningful contributions.

Procedures	<p>SSP 3/2014 requires a public announcement of the start of the standard setting process to be made at the standardisation body's website and in suitable media.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>MTCC made a public announcement of the start of the revision of the MC&I (2002) standard at its website on 10 March 2009^[3].</p> <p>MTCC also sent a direct letter to indigenous peoples' groups (Appendix III) [1] and to other relevant stakeholders (Appendix V) [1] informing them about the start of the standard revision process and about nominations to be made for the SRC membership.</p> <p>Compliance: Conformity</p> <p>Justification: MTCS has satisfied the requirement.</p>

PEFC ST 1001, 5.3	
5.3 [The announcement and invitation shall include:] a) information about the objectives, scope and the steps of the standard-setting process and its timetable	
Procedures	SSP 3/2014, ch. 5.3a requires that the public announcement shall include information about the objectives, scope and steps in the standard setting process. Compliance: Conformity
Process	The public announcement at the MTCC website ^[3] as well as direct letters to stakeholders (Appendix III, Appendix V) ^[1] included information about the objectives and scope of the revision process as well as a reference to its timetable in a separate document. Compliance: Conformity Justification: MTCS has satisfied the requirement.
5.3 [The announcement and invitation shall include:] b) information about opportunities for stakeholders to participate in the process	
Procedures	SSP 3/2014, ch. 5.3b requires that the public announcement shall include information about the stakeholders' opportunities to participate in the process. Compliance: Conformity
Process	The public announcement at the MTCC website ^[3] as well as direct letters to stakeholders (Appendix III, Appendix V) ^[1] included information about the establishment of the SRC, the Panel of Experts as well as expected public consultation opportunities. Compliance: Conformity Justification: MTCS has satisfied the requirement.
5.3 [The announcement and invitation shall include:] c) an invitation to stakeholders to nominate their representative(s) to the working group/committee. The invitation to disadvantaged and key stakeholders shall be made in a manner that ensures that the information reaches intended recipients and in a format that is understandable,	
Procedures	SSP 3/2014, ch. 5.3c requires that the public announcement shall include an invitation to stakeholders to nominate their representatives to the working group/committee as well as distribution of the announcement to disadvantaged and key stakeholders. Compliance: Conformity Justification: SSP 3/2014 satisfies the requirement.
Process	The public announcement at the MTCC website ^[3] includes information that relevant stakeholder groups have been invited to nominate their representative to the SRC and provided a link to the list of stakeholders that have been invited. The announcement did not invite stakeholders outside this list to make nomination to the SRC. Direct letters to selected stakeholders (Appendix III, Appendix V) ^[1] invited stakeholders to nominate their representatives to the SRC. Appendix III and information about the objective and scope of the revision process as well as a reference to its timetable in a separate document.

	<p>The invitation for the nomination of representatives to the SRC also allowed stakeholders to decide on their own representatives in the SRC.</p> <p>Compliance: Conformity</p> <p>Justification: Although MTCC has not published a general / public invitation to nominate representatives to the SRC, the conformity has been assigned based on the following facts that provided stakeholders with the possibility to submit their nominations:</p> <ul style="list-style-type: none"> a) The list of invited stakeholders covers a broad spectrum of stakeholders and was not created in a selective manner; b) The invited stakeholders were given an opportunity to select their own representatives on the SRC; they could have done so within the circle of the invited stakeholders but were also not limited to search for their representatives outside the list; c) The public announcement included a list of stakeholders that were invited to nominate the representatives on the SRC. Stakeholders outside the list, interested in the process, were not restricted to contact the relevant stakeholder group (invited to make the nomination) and propose their nomination to them. <p>It should also be noted that the invitation was made in February/March 2009 when the requirements of PEFC ST 1001 were not known and that MTCC would fully comply with the PEFC Council requirements applicable at that time.</p> <p>MTCC satisfies, through the direct letters to stakeholders, the requirement that the key and disadvantaged stakeholders shall be invited in a manner that the information reaches intended recipients.</p>
5.3 [The announcement and invitation shall include:] d) an invitation to comment on the scope and the standard-setting process	
Procedures	<p>SSP 3/2014, ch. 5.3d requires that the public announcement shall include an invitation to stakeholders to comment on the scope of the standard setting process.</p> <p>Compliance: Conformity</p> <p>SSP 3/2014 satisfies the requirement.</p>
Process	<p>The public announcement at the MTCC website^[3] as well as direct letters to stakeholders (Appendix III, Appendix V)^[1] included information about scope of the revision and the revision process. However, neither the website announcement nor the direct letters invited stakeholders to comment on the proposed standard revision process.</p> <p>On 1 April 2009, the MTCC launched a 30 days public consultation that invited stakeholders to provide their comments on areas that should be revised, deleted or added in the MC&I (2002) standard^[1].</p> <p>Compliance: Conformity</p> <p>Justification: MTCC has not invited stakeholders to comment on the proposed standard setting process. However, the conformity has been assigned based on the following factors:</p> <ul style="list-style-type: none"> a) MTCC launched a formal public consultation on the scope of the revision that was separate from the announcement of the start of the standard setting process, b) Although stakeholders were not explicitly invited to comments on the standard revision process, they were provided with detailed information

	<p>about the process and the stakeholders could submit their comments. It is assumed that MTCC would consider those comments,</p> <ul style="list-style-type: none"> c) Theoretically, if important for a stakeholder, he/she could use a formal dispute settlement procedures of the MTCS to change/influence the proposed standard setting process. d) This specific PEFC requirement was developed by the PEFC Council in 2010 and was not known to MTCC in March 2009 when the process started.
5.3 [The announcement and invitation shall include:] e) reference to publicly available standard-setting procedures.	
Procedures	<p>SSP 3/2014, ch. 5.3e requires that the public announcement shall make reference to publicly available standard setting procedures.</p> <p>Compliance: Conformity</p>
Process	<p>The public announcement at the MTCC website^[3] as well as direct letter to stakeholders (Appendix V)^[1] included reference to the standard setting procedures valid at that time (SSP 1/2008). The standard setting procedures were available at the MTCC website and were attached to the letter.</p> <p>Compliance: Conformity</p> <p>Justification: MTCS has satisfied the requirement.</p>

PEFC ST 1001, 5.4

5.4 The standardising body shall review the standard-setting process based on comments received from the public announcement and establish a working group/committee or adjust the composition of an already existing working group/committee based on received nominations. The acceptance and refusal of nominations shall be justifiable in relation to the requirements for balanced representation of the working group/committee and resources available for the standard-setting.

Procedures	<p>SSP 3/2014, 5.4 requires that the standardisation body shall (i) review the standard setting process based on the comments from stakeholders and (ii) establish the working group/committee.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>Review of the standard setting procedures</p> <p>MTCC run a public consultation in the beginning of the standard setting process)^[1] (April 2009) with the main objectives to identify issues to be revised. This however also gave an opportunity to stakeholders to submit comments relating to the standard setting procedures.</p> <p>Establishment of the SRC</p> <p>MTCC offered stakeholders two options for the appointment of SRC members (Letters in Appendix III and Appendix V) ^[1]:</p> <ul style="list-style-type: none"> (i) Stakeholders within the stakeholder group will appoint a co-ordinator to facilitate the nomination and election process, (ii) MTCC Secretariat would co-ordinate the nomination and election process. <p>In both cases, the stakeholders within the stakeholders group (five categories defined within the SRC) could make a nomination and vote on election of the SRC</p>

	<p>representative of the stakeholder group. The candidate with the highest support within the stakeholder group would become a member of the SRC.</p> <p>Compliance: Conformity</p> <p>Justification: The members of the SRC are not decided by the standardisation body itself but by the stakeholders within the pre-defined stakeholder groups. This approach satisfies or even exceeds the PEFC requirement for the formation of the working group/committee.</p>
PEFC ST 1001, 5.5	
5.5 The work of the working group/committee shall be organised in an open and transparent manner where: a) working drafts shall be available to all members of the working group/committee,	
Procedures	<p>SSP 3/2014, ch. 5.5a requires that working drafts shall be available to all members of the working group/committee.</p> <p>Compliance: Conformity</p>
Process	<p>The SRC met four times during 2009-2011, on 29-30/10/2009, 15-16/12/2009, 16-18/03/2011 and 20-22/09/2011^[1].</p> <p>TJConsulting has chosen to review the process and documentation relating to the meeting of 29-30 October 2009 and 15-16/12/2009 and requested MTCC to submit records relating to those meetings.</p> <p>MTCC Secretariat had invited SRC's members to the meeting of 29-30 October 2009 by a letter of 6 October 2009^[4]: and the invitation had included detailed agenda as well as draft documentation to be discussed by the SRC within the prosed agenda.</p> <p>The meeting of 15-16/12/2009 was a continuation of the October meeting and SRC's members were invited to the meeting by a letter of 4 November 2009^[5]: The letter included a provisional agenda and referred to the documentation previously submitted for the October meeting.</p> <p>Compliance: Conformity</p> <p>Justification: Based on the review of the MTCS records for randomly selected SRC's meetings of October and December 2009, there is sufficient confidence that the members of the SRC were invited to the meetings sufficiently in advance and were provided with the draft documentation, in sufficient time prior the meetings.</p>
5.5 The work of the working group/committee shall be organised in an open and transparent manner where: b) all members of the working group shall be provided with meaningful opportunities to contribute to the development or revision of the standard and submit comments to the working drafts	
Procedures	<p>SSP 3/2014, ch. 5.5b requires that members of the working group/committee shall be provided with meaningful opportunities to contribute to the development/revision of the standard.</p> <p>Compliance: Conformity</p>
Process	<p>The SRC met four times during 2009-2011, on 29-30/10/2009, 15-16/12/2009, 16-18/03/2011 and 20-22/09/2011^[1].</p> <p>TJConsulting has chosen to review the process and documentation relating to the meeting of 29-30 October 2009 and 15-16/12/2009 and requested MTCC to submit records relating to those meetings.</p> <p>The meetings were organised as face-to-face meetings and SRC members were invited with sufficient time before the meeting ^[4..5] allowing them to study the</p>

	<p>submitted documentation and prepare their comments; MTCC also provided financial assistance for travel costs where needed^[4].</p> <p>Minutes of those two meetings^[6, 7] provide evidence that SRC members discussed the draft documentation and provided comments to its content.</p> <p>Compliance: Conformity</p> <p>Justification: Based on the review of the MTCS records for randomly selected SRC's meetings of October and December 2009, there is sufficient confidence that the members of the SRC had sufficient opportunity to participate in the process and present their comments to the draft documentation.</p>
	<p>5.5 The work of the working group/committee shall be organised in an open and transparent manner where: c) comments and views submitted by any member of the working group/committee shall be considered in an open and transparent way and their resolution and proposed changes shall be recorded.</p>
Procedures	<p>SSP 3/2014, ch. 5.5b requires that comments of the working group/committee members shall be considered in an open and transparent way and shall their resolution shall be recorded.</p> <p>Compliance: Conformity</p>
Process	<p>The SRC met four times during 2009-2011, on 29-30/10/2009, 15-16/12/2009, 16-18/03/2011 and 20-22/09/2011^[1].</p> <p>TJConsulting has chosen to review the process and documentation relating to the meeting of 29-30 October 2009 and 15-16/12/2009 and requested MTCC to submit records relating to those meetings.</p> <p>Both meetings were recorded in detailed minutes^[6, 7] that also included description of comments of the SRC members and amendments to the draft documentation agreed by the SRC.</p> <p>Compliance: Conformity</p> <p>Justification: Based on the review of the MTCS minutes for randomly selected SRC's meetings of October and December 2009, there is sufficient confidence that comments of the SRC members were considered in an open and transparent way and that the SRC meetings and their results were sufficiently recorded.</p>

PEFC ST 1001, 5.6

5.6a [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the start and the end of the public consultation is announced in a timely manner in suitable media

Procedures	<p>SSP 3/2014, ch. 5.6 requires a public consultation on the enquiry draft and that the start and the end of the public consultation shall be announced in a timely manner in suitable media.</p> <p>Compliance: Conformity</p>
Process	<p>MTCC had organised three public consultations^[1] relating to:</p> <ul style="list-style-type: none"> a) Identification of issues of MC&I (2002) to be revised, deleted or amended (1 April -31 May 2009); b) First draft of MC&I (Natural Forest), 10 March – 9 April 2010, c) Final draft of MC&I (Natural Forest), 14 May-12 July 2011.

	<p>The second draft of MC&I (Natural Forest) was also presented and discussed at three public seminars in Kuching on 19-20 July 2010, in Kota Kinabalu on 22-23 July 2010 and in Kuala Lumpur on 26-27 July 2010.</p> <p>The assessment was focused on the third public consultation on the final draft of the MC&I standard that is required by the PEFC Council documentation.</p> <p>The public consultation was announced at the MTCC website on 13 May 2011^[8] and included both the start of the public consultation (14 May 2011) and the end of the public consultation (12 July 2011). The public consultation was reminded by a website announcement of 24 June 2011^[9]</p> <p>Compliance: Conformity</p> <p>Justification: MTCC carried out the public consultation of the final draft of MC&I (Natural Forest); the term “final” draft is equivalent to the term “enquiry” draft in PEFC ST 1001.</p> <p>MTCC announced the public consultation at its website that can be considered as “suitable media” and in timely manner (in the beginning of the public consultation). The announcement included both the start and the end date of the consultation.</p> <p>In addition, MTCC ran two additional two public consultations, the first on identifying issues to be revised and the second focused on the first draft of the MC&I (Natural Forests) standard.</p>
	5.6b [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the invitation of disadvantaged and key stakeholders shall be made by means that ensure that the information reaches its recipient and is understandable
Procedures	<p>SSP 3/2014, ch. 5.6b requires that the key and disadvantaged stakeholders shall be invited to the public consultation by means that ensure that the information reaches its recipient and is understandable.</p> <p>Compliance: Conformity</p>
Process	<p>MTCC announced the third public consultation through the MTCC website^[8, 9].</p> <p>MTCC invited identified stakeholders to the public consultation by a direct letter^[21] that was distributed by E-mail and postal service^[17]. The letter is also accompanied by the list of recipients^[21] covering a broad range of stakeholders. Also the MTCC news^[12] from October 2011 on the conclusion of the third public consultation included information that invitation to the public consultation was sent by e-mail and post services to 172 stakeholders.</p> <p>Compliance: Conformity</p> <p>Justification: MTCC sent a direct letter to stakeholders. The list of the stakeholders is broader than just “disadvantaged and key stakeholders.”</p>
	5.6c [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the enquiry draft is publicly available and accessible
Procedures	<p>SSP 3/2014 requires that the enquiry draft is publicly available and accessible.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>The final draft of MC&I (Natural Forest) was referenced in the website announcement^[8, 9, 10] and was available and accessible at the MTCC website.</p> <p>Compliance: Conformity</p>

	Justification: The document for public consultation was available at the MTCC website.
5.6d [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the public consultation is for at least 60 days	
Procedures	SSP 3/2014, ch. 5.6d requires that the public consultation shall last at least 60 days. Compliance: Conformity
Process	The public announcement of the third public consultation ^[8] shows that the public consultation lasted 60 days, from 14 May – 12 July 2011. Compliance: Conformity Justification: There is sufficient confidence that the public consultation lasted 60 days.
5.6e [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] all comments received are considered by the working group/committee in an objective manner	
Procedures	SSP 3/2014, ch. 5.6e requires that comments from the public consultation are considered by the working group/committee. Compliance: Conformity
Process	The Report on the revision of MC&I (Natural Forest) ^[1] states that the comments of 15 organisations (ch. 5.12) were considered by the SRC at its meeting on 20-22 September 2011. The minutes of the SRC meeting of 20-22 September 2011 ^[11] confirm that the comments from the third public consultation were considered by the SRC. The minutes also refer to a document with compilation of the received comments and include description of amendments to the final standard. Compliance: Conformity Justification: The presented evidence provides sufficient confidence that the comments from the public consultation were considered by the SCR in an objective manner.
5.6f [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] a synopsis of received comments compiled from material issues, including the results of their consideration, is publicly available, for example on a website.	
Procedures	SSP 3/2014, 5.6f requires that a synopsis of received comments compiled from material issues, including the results of their consideration, is publicly available. Compliance: Conformity
Process	On 2 nd August 2011, MTCC published an announcement at its website ^[12] on the conclusion of the third public consultation that included submitted comments of all 15 organisations. MTCC argues ^[29] that MTCC has published at its website a “Draft revised standard” that was also circulated to stakeholders and that stakeholders themselves could ascertain the results of the comments consideration. Compliance: Minor non-conformity

	<p>Justification: MTCC has published all comments received during the public consultation. However, MTCC has not submitted sufficient evidence that results of their consideration by the SRC^[11] would be publicly available.</p> <p>Although MTCC claims that the “Draft revised standard” (understood as a draft that includes results of the public consultation consideration by the SRC) was published at the MTCC website and circulated amongst stakeholders, this cannot be verified from submitted evidence and documentation. A draft standard dated between 22 September 2011 (date of the SRC meeting) and December 2011 (formal approval of the standard by the Board of Trustees) was not found at the MTCC website. Formal evidence on the distribution of such a draft in the period between 22 September 2011 and December 2011 was not submitted.</p> <p>It should be also noted that MTCC published the formally approved standard. It can be assumed that stakeholders interested in the process could compare the submitted comments and the formally approved standard.</p> <p>Taking into account small impact of the minor non-conformity on the overall transparency and credibility of the revision process, TJConsulting does not recommend to repeat the process in order to resolve the minor non-conformity.</p>
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PEFC ST 1001, 5.7

5.7 The standardising body shall organise pilot testing of the new standards and the results of the pilot testing shall be considered by the working group/committee.

Procedures	<p>SSP 3/2014, ch. 5.7 requires that the standardising body shall carry out a pilot testing. The note to 5.7 states that the pilot testing is not required in case of standard's revision.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>MTCC has not carried out pilot testing as a part of the revision of MC&I (2002) as the experience from the usage of this standard sufficiently substituted for the pilot testing.</p> <p>Compliance: Conformity</p> <p>Justification: MTCC satisfies the requirement in respect to the note to PEFC ST 1001, 5.7.</p>

PEFC ST 1001, 5.8

5.8 The decision of the working group to recommend the final draft for formal approval shall be taken on the basis of a consensus.

Procedures	<p>SSP 3/2014, 5.8 requires that the working group shall recommend the final draft for formal approval on the basis of consensus.</p> <p>SSP 3/2014 defines mechanism of how to establish whether or not there is a consensus and opposition (5.8) and how the opposition shall be resolved (5.9). Chapter 5.11 requires at least 2/3 majority of the working group/committee members for the formal approval of the standard.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
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<p>Process</p>	<p>The SRC's last meeting took place on 20-22 September 2011. The meeting considered several changes to the standard mainly based on comments received during the public consultation^[11].</p> <p>The minutes of the SRC meeting^[11] neither provides evidence that the SRC would recommend the final draft for formal approval nor it addresses whether there was any opposition against the standard being presented for the formal approval by the MTCC. However, the minutes includes statements on agreement with individual items discussed and a statement that this is the last SRC meeting and that the draft standard will be submitted for formal approval by MTCC.</p> <p>The consultant has received completed questionnaire from a number of the SRC members providing sufficient evidence that the SRC has reached the consensus (see chapter 8.2.2).</p> <p>Compliance: Conformity</p> <p>Justification: The minutes of the last SRC meeting in September 2011^[11] does not include a clear statement that the SRC reached consensus on the final draft to be formally adopted by the MTCC or that there was no opposition towards the final draft. However, the compliance has been assigned based on other "indirect" evidences that provided, all together, sufficient confidence that the SRC reached consensus:</p> <ul style="list-style-type: none"> a) The minutes of the SRC meeting^[11] are extremely detailed (68 pages). It does not only include results of the negotiations but also detailed discussion (with clear identification of the individual commentators, responses, etc.) for each of the discussed item. b) The SRC minutes^[11] clearly show that the meeting dealt with all requirements (parts) of the standard. Those that were not discussed are identified as "no amendments made". c) The SRC minutes^[11] clearly state conclusions for all individually discussed items with clear statements that "the meeting agreed". d) The SRC minutes^[11] include a statement that "Mr. Chew informed that with the finalization and adoption of the MC&I(Natural Forest), this would be the last Meeting of the SRC for this revision process" (6.4.3). It is assumed that if members of the SRC had objections against the discussed standard they would have raised their objection; and that this would have been recorded in the minutes. e) The SRC minutes^[11] include a statement that "Mr. Omar thanked the Chairperson who has been appointed to chair all the three meetings of the SRC, for a job well done in leading the SRC in the deliberations resulting in the finalization and adoption of the MC&I(Natural Forest)". This indicates that the members were aware that this was the last SRC meeting and that the standard has been finalised. f) The minutes of the Board of Trustees^[13] meeting that was formally adopting the standard (6 December 2011) state that "the meeting noted that the Standards Review Committee (SRC) had finalised and adopted the MC&I(Natural Forest) following its meeting from 20-22 September 2011 in Langkawi". It should be noted that three present members of the Board of Trustees were also members of the SRC (or alternate members of the SRC) and it can be assumed that if they had disagreed with the statement, this would have been recorded in the minutes. <p>As a part of the stakeholders consultation of Malaysian stakeholders organised as a part of this assessment, all members of the SRC that responded in the questionnaire (Mr Zolkipli Mohammad Aton – Sarawak Forestry Corporation (SFC), Mr Hamden Mohamad - Forest Department Sarawak, Mr Apolinar Tolentino – BWINT, Dr. Melvin Gumal - World Conservation Society (WCS), Goh Chee Yew - Malaysian Wood Industry Association (MWIA), Dr. Ismail Harun - Forest Research</p>
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	Institute Malaysia, FRIM, Assoc. Prof. Dr. Ramy Bulan - Rurum Kelabit Sarawak – indigenous people, Suki Mee - Persatuan Kebudayaan dan Kesenian, Orang Asli Perak, PKOAP) indicated that the SRC reached the consensus. The only negative response on this issue was presented by WWF Malaysia based on participation of their former officer as an alternate member of the SRC. However, it should be noted that this person was not present at the last SRC meeting responsible for the final negotiation of the standard (for more details, see chapter 8.2.2)
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PEFC ST 1001, 5.8

5.8 In order to reach a consensus the working group/committee can utilise the following alternative processes to establish whether there is opposition:

- a) a face-to-face meeting where there is a verbal yes/no vote, show of hands for a yes/no vote; a statement on consensus from the Chair where there are no dissenting voices or hands (votes); a formal balloting process, etc.,
- b) a telephone conference meeting where there is a verbal yes/no vote,
- c) an e-mail meeting where a request for agreement or objection is provided to members with the members providing a written response (a proxy for a vote), or
- d) combinations thereof.

Procedures	<p>SSP 3/2014, ch. 5.8 states that the standardisation body can utilise the same alternative processes to establish whether there is opposition as in PEFC ST 1001, 5.8.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement</p>
Process	<p>The SRC's last meeting took place on 20-22 September 2011. The meeting considered several changes to the standard mainly based on comments received during the public consultation^[11]. The minutes do not include an explicit statement on the consensus reached for the whole standard. The minutes also do not describe how the agreement was reached.</p> <p>Compliance: Conformity</p> <p>Justification: PEFC ST 1001 introduces this requirement with the word “can” that indicates that the standardisation body can utilise all the listed options, some of them or also none of them. Therefore the requirement cannot be considered as a mandatory.</p> <p>The conformity with the requirement has been assigned based on “indirect” evidence providing sufficient evidence that the consensus has been reached (see the justification for the requirement 5.8 above).</p> <p>In addition, the minutes of the last SRC meeting^[11] indicates that for each item there was discussion with proposals of the SRC members and that the recorded discussion led to the SRC's agreement on the final wording of the standard (rather than a formal voting).</p>

PEFC ST 1001, 5.9

5.9 In the case of a negative vote which represents sustained opposition to any important part of the concerned interests surrounding a substantive issue, the issue shall be resolved using the following mechanism(s):

- a) discussion and negotiation on the disputed issue within the working group/committee in order to find a compromise,
- b) direct negotiation between the stakeholder(s) submitting the objection and stakeholders with different views on the disputed issue in order to find a compromise,
- c) dispute resolution process.

Procedures	<p>SSP 3/2014, ch. 5.9 states that in case of a negative vote representing sustained opposition the issue shall be resolved by the same mechanisms as required by PEFC ST 1001, ch. 5.9.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>The SRC's last meeting took place on 20-22 September 2011. The meeting considered several changes to the standard mainly based on comments received during the public consultation^[11].</p> <p>The minutes of the SRC meeting^[11] neither provides an explicit statement that the SRC would recommend the final draft for formal approval nor does it explicitly address whether there was any opposition against the standard being presented for the formal approval by the MTCC nor how such opposition was resolved.</p> <p>The minutes of the SRC meeting^[11] however describe in detail discussion between the SRC members for each discussed requirement of the standard.</p> <p>Compliance: Conformity</p> <p>Justification: Although there is no an explicit statement in the SRC minutes on the consensus of the SRC relating to the formal approval of the standard, there are other indirect evidences that provide sufficient confidence that the SRC reached the consensus (see the justification for the requirement 5.8).</p> <p>The minutes of the last SRC meeting is extremely detailed (68 pages) and the recorded discussion clearly shows that the observations and concerns (rather than "sustained opposition" have been resolved during the meeting's discussion.</p>

PEFC ST 1001, 5.10

5.10 Documentation on the implementation of the standard-setting process shall be made publicly available.

Procedures	<p>SSP 3/2014, ch. 5.10 requires that documentation on the implementation of the standard setting process shall be publicly available.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>MTCC has prepared the Report on the revision of MC&I (Natural Forest)^[1] (June 2012) that provides information about the implementation of the revision process.</p>

	<p>MTCC has not submitted information that this Report was made publicly available. The report was not published at the MTCC website.</p> <p>The summary of the revision process is also included in the beginning of the MC&I (Natural Forest) standard itself. This standard was published on 13 January 2012 at the MTCC website supported by an announcement^[14].</p> <p>Compliance: Conformity</p> <p>Justification: The conformity has been assigned based on the fact that the summary of the standard setting process is included in the standard itself that was published at the MTCC website.</p>
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PEFC ST 1001, 5.11

5.11 The standardising body shall formally approve the standards/normative documents based on evidence of consensus reached by the working group/committee.

Procedures	<p>SSP 3/2014, ch. 5.11 requires that the standardising body shall formally approve the standards/normative documents based on evidence of consensus reached by the working group/committee.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>The Report on the revision of MC&I (Natural Forest)^[1], chapter 5.13 includes information that the MC&I (Natural Forest) was adopted by the MTCC Board of Trustees on 6 December 2011.</p> <p>The minutes of the meeting of the Board of Trustees^[13] confirms in chapter 6.5 the information in the Report: “<i>the Meeting agreed to adopt the MC&I(Natural Forest) as the new forest management certification standard for the MTCS</i>”.</p> <p>Compliance: Conformity</p> <p>Justification: MC&I (Natural Forest) was formally adopted by the MTCC.</p>

PEFC ST 1001, 5.12

5.12 The formally approved standards/normative documents shall be published in a timely manner and made publicly available.

Procedures	<p>SSP 3/2014, ch. 5.12 requires that the formally approved standards shall be published in a timely manner.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>MTCC has announced the adoption of the revised standard MC&I (Natural Forest) at its website^[14], including publishing the standard. The MC&I (Natural Forest) is permanently available at the MTCC website^[15].</p> <p>Compliance: Conformity</p> <p>Justification: MTCC has formally published MC&I (Natural Forest) standard, and made it permanently available.</p>

PEFC ST 1001, 6.1

6.1 The standards/normative documents shall be reviewed and revised at intervals that do not exceed a five-year period. The procedures for the revision of the standards/normative documents shall follow those set out in chapter 5.

Procedures	<p>SSP 3/2014 requires that the standards shall be permanently revised at intervals that do not exceed a five years period and requires that the revision process shall comply with the same process procedures (chapter 5) as for initial development of a standard.</p> <p>Compliance: Conformity</p> <p>Justification: SSP 3/2014 satisfies the requirement.</p>
Process	<p>The original standard MC&I (2002) was adopted by MTCC in August 2004 while the revised MC&I (Natural Forest) standard was adopted in December 2011. The period between the adoption of the two standards was 7 years and four months.</p> <p>Compliance: Minor non-conformity (justifiable)</p> <p>Justification MTCC has not revised the standard within the specified 5 years cycle. However, TJConsulting considers the minor non-conformity as "justifiable" based on the following arguments:</p> <ul style="list-style-type: none"> a) the standard adopted in 2004 was only put into practice after one year of its adoption^[17] and this shortened the period between the start of the application of the standard and the start of its revision. b) The revision started in 2009 and took more than 1 and half years. MTCC has chosen to provide more time to the revision process, discussion and consensus building rather than to shorten it for the purposes of meeting PEFC Council's 5 years' revision deadline.

PEFC ST 1001, 6.2

6.2 The revision shall define the application date and transition date of the revised standards/normative documents.

Process	<p>MTCC has issued a letter to certification bodies (Annex VI to Report on the revision of MC&I (Natural Forest))^[1] informing them about the one year transition period (1 January 2013).</p> <p>On 29 March 2012, MTCC has sent out a new letter (Annex VII to Report on the revision of MC&I (Natural Forest))^[1] superseding the earlier letter of 9 January 2012 that also included a detailed transition plan with both, the application and transition dates and their effect on new and existing certifications.</p> <p>The transition plan was also announced at the MTCC website on 27 April 2012^[1].</p> <p>Compliance: Conformity</p> <p>Justification: MTCC has set up the application and transition date for the new MC&I (Natural Forest) standard.</p>
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PEFC ST 1001, 6.3

6.3 The application date shall not exceed a period of one year from the publication of the standard. This is needed for the endorsement of the revised standards/normative documents, introducing the changes, information dissemination and training.

Process	<p>The transition plan communicated through a letter of 29 March 2012^[1] and published at the MTCC website^[16] defined the application date of 1 July 2012 after which all audits shall be carried out against the new standard.</p> <p>Compliance: Conformity</p> <p>Justification: The period between the formal adoption of the standard (December 2011), respectively its publication (January 2012) and the application date (1 July 2012) had not exceeded the maximum one year period defined by PEFC ST 1001.</p>
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PEFC ST 1001, 6.4

6.4 The transition date shall not exceed a period of one year except in justified exceptional circumstances where the implementation of the revised standards/normative documents requires a longer period.

Process	<p>The transition plan communicated through a letter of 29 March 2012^[1] and published at the MTCC website^[16] defined the transition period between 1 July 2012 and 1 June 2013 (11 months) during which all certified entities shall be audited and comply with the requirements of MC&I (Natural Forests).</p> <p>Compliance: Conformity</p> <p>Justification: The transition period decided by MTCC had not exceeded the maximum one year period defined by PEFC ST 1001.</p>
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8.3 Requirements for group forest management certification

8.3.1 Introduction and summary

MTCS allows for certification at the group and individual level. In addition, following the definitions of GFMC 2/2014, the MTCS allows users of the scheme to use different terminology within the group certification (e.g. regional certification, regional entity, etc).

Requirements for group certification within the MTCS are defined in GFMC 2/2014 (Group Forest Management Certification – Requirements). The content of GFMC 2/2014 has been copied, with only small modification from PEFC ST 1002. Although this fact has not been considered and reported as a non-conformity¹⁰, this arrangement doesn't align with the spirit of the PEFC Council's documentation. PEFC ST 1002 has been adopted by the PEFC Council as a meta-standard (Requirements for certification schemes) and there is a general expectation that its meta-standard requirements will be further detailed in the scheme specific requirements for group certification. However, the assessment would only identify a non-conformity where PEFC ST 1002 explicitly requires the scheme to provide further detail or where the further detail is deemed necessary to meet the objective of PEFC ST 1002.

During this assessment, MTCC decided to respond to non-conformities identified by the interim report and adopted changes to GFMC 2/2014 addressing the non-conformities.

It should be noted that group certification has not yet been implemented in Malaysia.

¹⁰ The PEFC Council does not have a specific policy to what extent national schemes are allowed to adopt the PEFC Council international documentation. However, the PEFC Council differentiates between standards with "Requirements for certification schemes" and with "Requirements for certification users". It is generally expected that the PEFC Council international standard with "Requirements for certification schemes" (e.g. PEFC ST 1001) will be implemented within the scheme specific and more detailed documentation and the PEFC Council's international standards with "Requirements for certification users" (PEFC ST 2002) will be adopted by the national schemes without any modifications.

8.3.2 Detailed assessment

PEFC ST 1002, 4.1	
4.1 Does the forest certification scheme provide clear definitions for the following terms in conformity with the definitions of those terms presented in chapter 3 of PEFC ST 1002:2010:	
a) the group organisation,	The definition in GFMC 2/2014 is identical with PEFC ST 1002. Conclusion: Conformity
b) the group entity,	The definition in GFMC 2/2014 is identical with PEFC ST 1002. Conclusion: Conformity
c) the participant,	The definition in GFMC 2/2014 is identical with PEFC ST 1002. Conclusion: Conformity
d) the certified area,	The definition in GFMC 2/2014 is identical with PEFC ST 1002. Conclusion: Conformity
e) the group forest certificate, and	The definition in GFMC 2/2014 is identical with PEFC ST 1002. Conclusion: Conformity
f) the document confirming participation in group forest certification.	The definition in GFMC 2/2014 is identical with PEFC ST 1002. Conclusion: Conformity

PEFC ST 1002, 4.1.2	GFMC 2/2014
4.1.2 In cases where a forest certification scheme allows an individual forest owner to be covered by additional group or individual forest management certifications, the scheme shall ensure that non-conformity by the forest owner identified under one forest management certification scheme is addressed in any other forest management certification scheme that covers the forest owner.	GFMC 2/2014, ch. 4.1.2 requires that a forest owner or forest management unit can participate in only one individual or group forest management certification under the MTCS.
Conclusion: Conformity	
Justification: GFMC 2/2014 does not allow a multiple certification of a single forest owner/management unit and through this provision complies with the PEFC Council requirement.	

PEFC ST 1002	GFMC 2/2014
4.1.3 The forest certification scheme shall define requirements for group forest certification which ensure that participants' conformity with the sustainable forest management standard is centrally administered and is subject to central	GFMC 2/2014 includes requirements for the group entity including central review of the participants conformity (4.2.1 i) and for an internal monitoring programme (4.1.4 and 4.2.1h).

review and that all participants shall be subject to the internal monitoring programme.	
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Conclusion: Conformity

Justification: GFMC 2/2014 complies with the PEFC Council requirement.

PEFC ST 1002	GFMC 2/2014
4.1.4 The forest certification scheme shall define requirements for an annual internal monitoring programme that provides sufficient confidence in the conformity of the whole group organisation with the sustainable forest management standard.	GFMC 2/2014, ch. 4.1.4 requires the group entity to operate an internal monitoring programme of participants that covers (a) an initial assessment (b) annual internal audits of 20 % of participants, (c) competent personnel performing the internal audits and (d) evaluation of information from external sources.

Conclusion: Conformity

Justification: The GFMC 2/2014 requirements for the internal monitoring programme provide for sufficient confidence in the compliance of the whole group.

PEFC ST 1002, 4.2.1	GFMC 2/2014
4.2.1 The forest certification scheme shall define the following requirements for the function and responsibility of the group entity:	
a) To represent the group organisation in the certification process, including in communications and relationships with the certification body, submission of an application for certification, and contractual relationship with the certification body;	GFMC 2/2014, ch. 4.2.1a is identical with PEFC ST 1002. Conclusion: Conformity
b) To provide a commitment on behalf of the whole group organisation to comply with the sustainable forest management standard and other applicable requirements of the forest certification scheme;	GFMC 2/2014, ch. 4.2.1b is identical with PEFC ST 1002. Conclusion: Conformity
c) To establish written procedures for the management of the group organisation;	GFMC 2/2014, ch. 4.2.1c is identical with PEFC ST 1002. Conclusion: Conformity
d) To keep records of: <ol style="list-style-type: none"> 2) the group entity and participants' conformity with the requirements of the sustainable forest management standard, and other applicable requirements of the forest certification scheme, 3) all participants, including their contact details, identification of their forest property and its/their size(s), 4) the certified area, 5) the implementation of an internal monitoring programme, its review and any 	GFMC 2/2014, ch. 4.2.1d is identical with PEFC ST 1002. Conclusion: Conformity

preventive and/or corrective actions taken;	
e) To establish connections with all participants based on a written agreement which shall include the participants' commitment to comply with the sustainable forest management standard. The group entity shall have a written contract or other written agreement with all participants covering the right of the group entity to implement and enforce any corrective or preventive measures, and to initiate the exclusion of any participant from the scope of certification in the event of non-conformity with the sustainable forest management standard;	<p>GFMC 2/2014, ch. 4.2.1e is identical with PEFC ST 1002.</p> <p>Conclusion: Conformity</p>
f) To provide participants with a document confirming participation in the group forest certification;	<p>GFMC 2/2014, ch. 4.2.1f is identical with PEFC ST 1002.</p> <p>Conclusion: Conformity</p>
g) To provide all participants with information and guidance required for the effective implementation of the sustainable forest management standard and other applicable requirements of the forest certification scheme;	<p>GFMC 2/2014, ch. 4.2.1g is identical with PEFC ST 1002.</p> <p>Conclusion: Conformity</p>
h) To operate an annual internal monitoring programme that provides for the evaluation of the participants' conformity with the certification requirements, and;	<p>GFMC 2/2014, ch. 4.2.1h is identical with PEFC ST 1002.</p> <p>Conclusion: Conformity</p>
i) To operate a review of conformity with the sustainable forest management standard, that includes reviewing the results of the internal monitoring programme and the certification body's evaluations and surveillance; corrective and preventive measures if required; and the evaluation of the effectiveness of corrective actions taken.	<p>GFMC 2/2014, ch. 4.2.1i is identical with PEFC ST 1002.</p> <p>Conclusion: Conformity</p>

PEFC ST 1002	GFMC 2/2014
4.3.1 The forest certification scheme shall define the following requirements for the participants:	
a) To provide the group entity with a written agreement, including a commitment on conformity with the sustainable forest management standard and other applicable requirements of the forest certification scheme;	GFMC 2/2014, ch. 4.3.1a is identical with PEFC ST 1002 (except for specific reference to MTCS). Conclusion: Conformity
b) To comply with the sustainable forest management standard and other applicable requirements of the forest certification scheme;	GFMC 2/2014, ch. 4.3.1b is identical with PEFC ST 1002 (except for specific reference to MTCS). Conclusion: Conformity
c) To provide full co-operation and assistance in responding effectively to all requests from the group entity or certification body for relevant data, documentation or other information; allowing access to the forest and other facilities, whether in connection with formal audits or reviews or otherwise;	GFMC 2/2014, ch. 4.3.1c is identical with PEFC ST 1002 (except for specific reference to MTCS). Conclusion: Conformity
d) To implement relevant corrective and preventive actions established by the group entity.	GFMC 2/2014, ch. 4.3.1d is identical with PEFC ST 1002 (except for specific reference to MTCS). Conclusion: Conformity

8.4 Requirements for forest management standard

8.4.1 MTCS Standard for natural forests

8.4.1.1 Introduction and summary

The MTCS covers two forest management standards, MC&I (Natural Forest) for the management of natural forests and MC&I (Forest Plantations) for the management of forest plantations. The PEFC Council decided in the due course of the assessment that MC&I (Forest Plantations) should be withdrawn from the scope of the assessment as it has already been endorsed by the PEFC Council on 20 July 2012. Therefore, the assessment only covers evaluation of compliance of MC&I (Natural Forest) with the PEFC Council requirements defined in PEFC ST 1003.

MC&I (Natural Forest) is logically structured into 9 Principles (Compliance with Laws and Regulations, Tenure and Use Rights and Responsibilities, Indigenous Peoples' Rights, Community Relations and Workers' Rights, Benefits from the forest, Environmental Impacts, Management Plan, Monitoring and Assessment, and Management of High Conservation Value Forests). MC&I (Natural Forest) is further divided into Criteria, Indicators and Verifiers. The verifiers chapter includes a clear and exhaustive list of legislation and other documents that the certified forest management unit shall comply with.

MC&I (Natural Forest) includes requirements that are applicable at the forest management unit level and that cover both management system requirements as well as detailed performance requirements regulating forest management operations.

The requirements are clear and unambiguous and allow for independent and objective assessment. For those requirements that could allow for different interpretations, the MTCC adopted a guidance document (GD-NF-1/2014) with an interpretative guidance to specific requirements.

Although the MC&I (Natural Forest) standard is considered of high quality and sufficiently detailed, **one minor non-conformity** with PEFC ST 1003 has been identified:

- 5.6.4: **Indigenous Peoples' Rights:** MC&I (Natural Forest) includes requirements that can be interpreted as delivering sufficient compliance with the PEFC requirement, recognition of indigenous peoples rights; FPIC, consultation and conflict resolution. The standard also makes reference to UNDRIP that itself sufficiently covers the PEFC requirement.

However, the minor non-conformity has been assigned based on the fact that the MC&I requirements make reference to the indigenous peoples rights "within federal, state and local laws" and the fact that this statement could be interpreted as "only rights recognised by the federal, state or local laws shall be respected". The minor non-conformity has therefore been assigned based on ambiguity of the standard allowing its different interpretations. This also implies that the compliance can be achieved by an MTCC's interpretation guidance without the need of changing the wording of the standard itself¹¹.

For a few issues (conversion of agriculture abandoned land – 5.1.12, lighting of forest fires – 5.2.6, usage of fertilizers – 5.2.12, and public access to forests – 5.6.5), the assessment

¹¹ It should be noted that MTCC has indicated that it plans to prepare and publish an interpretative guidance relating to the indigenous peoples' rights.

concluded **minor non-conformities that are however justifiable¹²** and do not therefore require amendments to the MC&I standard or another MTCC corrective action.

¹² The “justifiable” minor non-conformities have been assigned in situations where the prescribed forest management system, socio-economic situation or other factors make the PEFC requirement not applicable, irrelevant or not delivering its expected objective.

8.4.1.2 Detailed assessment

PEFC ST 1003, 4.1a	MC&I (Natural Forest)
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <ul style="list-style-type: none"> a) include management and performance requirements that are applicable at the forest management unit level, or at another level as appropriate, to ensure that the intent of all requirements is achieved at the forest management unit level. 	<p>MC&I (Natural Forest) is applicable at the FMU level. Its requirements are clearly structured and include both management system (e.g. planning, monitoring) as well as performance requirements.</p> <p>The forest management unit is defined by the MC&I definition as “A forest management unit (FMU) is a clearly defined forest area, managed to a set of explicit objectives and according to a long-term management plan.”</p>
Conclusion: Conformity	

PEFC ST 1003, 4.1b	MC&I (Natural Forest)
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <ul style="list-style-type: none"> b) be clear, objective-based and auditable. 	<p>MC&I (Natural Forest) and its requirements are very well designed, are clear and detailed enough to be used for auditing and certification purposes.</p>
Conclusion: Conformity	

PEFC ST 1003, 4.1c	MC&I (Natural Forest)
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <ul style="list-style-type: none"> c) apply to activities of all operators in the defined forest area who have a measurable impact on achieving compliance with the requirements. 	<p>MC&I (Natural Forest) does not explicitly define that the requirements shall be applied by all operators (for example forest contractors) on the defined forest area.</p> <p>Specific requirements, depending on their content, are introduced to apply to “forest management” or “forest manager” or to forest workers.</p> <p>The forest management/forest manager is defined by the MC&I (Natural Forest) definition as “The people responsible for the operational management of the forest resource and of the enterprise, as well as the management system and structure, and the planning and field operations.”</p> <p>The forest worker is defined by the MC&I (Natural Forest) definition as “An individual who is an employee of the FMU manager, a licensee, contractor or processor, or is an independent owner/operator performing one or more phases involved in the harvesting of</p>

	<p>timber from a licence, or delivery of timber to a processor.”</p> <p>GD-NF 1/2014 provides an interpretation stating the “The requirements of the MC&I(Natural Forest) shall apply to the activities of all operators in the forest management unit (FMU). It shall be the responsibility of the FMU manager to ensure that all operators comply with the applicable requirements.</p>
Conclusion: Conformity	

Justification: MC&I (Natural Forest) ensure that the requirements for forest workers cover all operators in the defined forest area. Concerning other requirements MC&I (Natural Forest) is rather ambiguous on this issue. However, this ambiguity was clarified in GD-NF 1/2014.

PEFC ST 1003, 4.1d	MC&I (Natural Forest)
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <p>d) require record-keeping that provides evidence of compliance with the requirements of the forest management standards.</p>	MC&I (Natural Forest), verifiers section includes records and evidence on the compliance with criteria and indicators of MC&I (Natural Forest).
Conclusion: Conformity	

Justification: MC&I (Natural Forest) does not include a general requirement on keeping records. However, the verifier's section includes specific records and other evidence that forest manager shall have to demonstrate its compliance with specific criteria and indicators. The detailed wording of the verifiers provide sufficient confidence that the forest manager shall keep records on compliance with the forest management standard.

PEFC ST 1003, 5.1.1	MC&I (Natural Forest)
<p>5.1.1 Forest management planning shall aim to maintain or increase forests and other wooded areas and enhance the quality of the economic, ecological, cultural and social values of forest resources, including soil and water. This shall be done by making full use of related services and tools that support land-use planning and nature conservation.</p>	<p>MC&I (Natural Forest), C5.1 requires that management shall strive towards economic viability, while taking into account the full environmental, social, and operational costs of production</p> <p>C5.5 requires recognising, maintaining and where appropriate enhancing value of forest services and resources, including soil and water (I5.5.1).</p> <p>C6.2 requires protection of endangered and protected species and their habitats and areas with biodiversity values (also C6.4).</p> <p>C6.3 requires that ecological functions and values shall be maintained intact, enhanced, or restored.</p> <p>C6.5 Require protection of soil and water protection functions.</p>

	C3.3 requires protection of sites with social values.
Conclusion: Conformity	
<p>Justification: Although not all the quoted requirements are directly linked to forest management planning, their implementation, together with other requirements of MC&I (Natural Forest), ensure maintenance or an increase of forested areas, and their economic, ecological, cultural and social values.</p>	

PEFC ST 1003, 5.1.2	MC&I (Natural Forest)
5.1.2 Forest management shall comprise the cycle of inventory and planning, implementation, monitoring and evaluation, and shall include an appropriate assessment of the social, environmental and economic impacts of forest management operations. This shall form a basis for a cycle of continuous improvement to minimise or avoid negative impacts.	<p>MC&I (Natural Forest), C4.4 require evaluation of social impacts (I4.4.1) and their incorporation into planning (I4.4.2)</p> <p>C5.1 requires that Forest management shall strive toward economic viability, while taking into account the full environmental, social, and operational costs of production</p> <p>C6.1 requires to carry out environmental impact assessment (I6.6.1) and its incorporation into management system.</p> <p>P7 requires that a forest management plan shall be prepared, approved, implemented and regularly updated.</p> <p>C 7.1 defines content of the forest management plan</p> <p>C7.2 requires periodic revision of the forest management plan based on results of monitoring and new scientific and technical as well as to respond to changing environmental, social and economic circumstances.</p> <p>C8.1 and C8.2 define requirements for regular monitoring that shall feed into the planning process (C8.4).</p>

Conclusion: Conformity

Justification: Although MC&I (Natural Forest) does not explicitly describe the cycle of inventory and planning, implementation, monitoring and evaluation, the quoted requirements sufficiently cover the elements of inventory, planning, implementation, monitoring and evaluation. MC&I (Natural Forest) also covers the environmental and social impacts assessment. The continuous improvement is not expressed explicitly but is implicitly achieved by incorporation of new scientific knowledge and technical information as well as by responding to changing environmental, social and economic circumstances.

PEFC ST 1003, 5.1.3	MC&I (Natural Forest)
5.1.3 Inventory and mapping of forest resources shall be established and maintained, adequate to local and national conditions and in correspondence with the topics described in this document.	MC&I (Natural Forest), C7.1 requires that the forest management plan shall include description of forest resources (C7.1b) and silvicultural/management system based on information gathered from forest inventories.

	C7.1h requires appropriate maps of forest resources, including protected areas, planned management activities and land ownership C9.1.1 requires mapping of HCVFs
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Conclusion: Conformity

Justification: Although MC&I (Natural Forest) does not explicitly require forest manager to carry out inventory and mapping of forest resources, it is however implicit that such activities shall be done as their results shall be included in forest management plans.

PEFC ST 1003, 5.1.4	MC&I (Natural Forest)
5.1.4 Management plans or their equivalents, appropriate to the size and use of the forest area, shall be elaborated and periodically updated. They shall be based on legislation as well as existing land-use plans, and adequately cover the forest resources.	MC&I (Natural Forest), P7 requires that a forest management plan shall be prepared, approved, implemented and regularly updated. C7.1 defines a content of the management plan C7.2 requires periodic revision of the management plan.

Conclusion: Conformity

Justification: MC&I (Natural Forest) requires a management planning including its regular update.

PEFC ST 1003, 5.1.5	MC&I (Natural Forest)
5.1.5 Management plans or their equivalents shall include at least a description of the current condition of the forest management unit, long-term objectives; and the average annual allowable cut, including its justification and, where relevant, the annually allowable exploitation of non-timber forest products.	MC&I (Natural Forest), C7.1 requires that the forest management plan shall include (a) management objectives; (b) description of the forest resources, to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands; (c) description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories; (d) rationale for rate of annual harvest and species selection. MC&I (Natural Forest), I5.6.1 requires, as a verifier, the evidence of enumeration, yield calculation and harvesting planning in the Forest Management Plan.

Conclusion: Conformity

Justification: MC&I (Natural Forest) requires the content of the forest management plan that satisfies and exceeds the PEFC requirement.

PEFC ST 1003, 5.1.6	MC&I (Natural Forest)
5.1.6 A summary of the forest management plan or its equivalent appropriate to the scope and scale of forest management, which contains	MC&I (Natural Forest) requires that a summary of the forest management plan that includes

information about the forest management measures to be applied, is publicly available. The summary may exclude confidential business and personal information and other information made confidential by national legislation or for the protection of cultural sites or sensitive natural resource features.	elements identified in C7.1 shall be made public while respecting confidential information.
<p>Conclusion: Conformity</p> <p>Justification: MC&I (Natural Forest) satisfies the requirement.</p>	

PEFC ST 1003, 5.1.7	MC&I (Natural Forest)
5.1.7 Monitoring of forest resources and evaluation of their management shall be periodically performed, and results fed back into the planning process.	MC&I (Natural Forest), C8.1 requires monitoring activities relevant to the size and intensity of forest resources. The relevant verifies make reference to the established monitoring procedures, practices, guidelines and norms. C8.2 requires research and data collection needed to monitor specified indicators. C8.4 requires that the results of monitoring shall be incorporated into the implementation and revision of the management plan.
<p>Conclusion: Conformity</p> <p>Justification: Monitoring requirements of MC&I (Natural Forest) meet and exceed the PEFC requirement,</p>	

PEFC ST 1003, 5.1.8	MC&I (Natural Forest)
5.1.8 Responsibilities for sustainable forest management shall be clearly defined and assigned.	MC&I (Natural Forest), C1.6 requires that Forest managers shall demonstrate long-term commitment to these Principles and Criteria MC&I (Natural Forest) C7.3 requires that forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan. The training is further detailed in I7.3.2. MTCC argues ^[29] that responsibilities for sustainable forest management are prescribed by the Forestry Manual (2003) ^[31] to which MC&I (Natural Forests) refers (5.5.2, 6.2.1, 6.2.2). As the document is only available in Malaysian language, MTCC submitted as an example a translated excerpt of this document (chapter 7, p. 1048) ^[33] for pre-felling inventory that clearly and in detail defines responsibility of different personnel and functions.
<p>Conclusion: Conformity</p>	

Justification: MC&I (Natural Forest) requires the forest manager's long term commitment and training of workers and their supervision. However, the PEFC requirement is broader and requires definition and assignment of responsibilities for SFM.

The compliance has been assigned based on sufficient confidence that the responsibilities for sustainable forest management are defined in the Forestry Manual (2003). Although MTCC submitted only an example (excerpts) of the document, TJConsulting has sufficient confidence that the responsibilities are defined in similar and consistent way in other parts of the document.

PEFC ST 1003, 5.1.9	MC&I (Natural Forest)
5.1.9 Forest management practices shall safeguard the quantity and quality of the forest resources in the medium and long term by balancing harvesting and growth rates, and by preferring techniques that minimise direct or indirect damage to forest, soil or water resources.	<p>MC&I (Natural Forest), I5.1.2 requires that prescriptions are made to maintain, restore or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability.</p> <p>C5.3 requires that forest management shall minimise waste associated with harvesting and on-site processing operations and avoid damage to other forest resources, residual stands in particular (I5.3.1).</p> <p>C.5.6 requires that the rate of harvest of forest products shall not exceed levels which can be permanently sustained, including non-timber forest products (5.6.2).</p> <p>I5.5.1 requires protection of forest resources, in particular water and soil.</p> <p>C6.5 requires to prepare and implement guidelines to control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.</p>

Conclusion: Conformity

Justification: The referred parts of MC&I (Natural Forest) meet and exceed the PEFC requirement.

PEFC ST 1003, 5.1.10	MC&I (Natural Forest)
5.1.10 Appropriate silvicultural measures shall be taken to maintain or reach a level of the growing stock that is economically, ecologically and socially desirable.	<p>MC&I (Natural Forest), I5.1.2 requires provisions and management prescriptions to be made to maintain, restore or enhance the productive capacity.</p> <p>C5.6 requires that the rate of harvest of forest products shall not exceed levels which can be permanently sustained and shall not be higher than the regrowth of residual stands (I5.6.1). The respective verifiers then detail the calculation of the annual cut based on a mean annual increment; a net harvestable forest area and a cutting cycle.</p>

Conclusion: Conformity

Justification: It is assumed that the sustainable “level of growing stock” is indirectly achieved by the sustainable harvesting level that is sufficiently covered in the referenced requirements of MC&I (Natural Forest).

PEFC ST 1003, 5.1.11	MC&I (Natural Forest)
<p>5.1.11 Conversion of forests to other types of land use, including conversion of primary forests to forest plantations, shall not occur unless in justified circumstances where the conversion:</p> <ul style="list-style-type: none"> a) is in compliance with national and regional policy and legislation relevant for land use and forest management and is a result of national or regional land-use planning governed by a governmental or other official authority including consultation with materially and directly interested persons and organisations; and b) entails a small proportion of forest type; and c) does not have negative impacts on threatened (including vulnerable, rare or endangered) forest ecosystems, culturally and socially significant areas, important habitats of threatened species or other protected areas; and d) makes a contribution to long-term conservation, economic, and social benefits. 	<p>MC&I (Natural Forest), C6.10 requires that forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</p> <ul style="list-style-type: none"> a) entails a very limited portion of the forest management unit; and b) does not occur on HCVFs; and c) will enable clear, substantial, additional, secure, long-term conservation, economic and social benefits across the forest management unit. <p>The limited portion of forest conversion is defined in I6.10.1 as 2.5 % of the FMU's unit in the first 3 years, 1.5 % in the subsequent 2 years and 1 % in the subsequent 2 years.</p> <p>I6.10.2 requires compliance with legal requirements and necessary approval.</p> <p>The definition of HCVFs made in chapter Definition covers areas with environmental as well as social values.</p> <p>MC&I (Natural Forest), 6.10.2 requires that the forest manager shall have evidence of necessary approval for the conversion, in line with applicable laws and policies.</p> <p>MTCC has also adopted a Guidance document on the interpretation of criterion 6.10 (also included in GD-NF-1/2014) of the MC&I (Natural Forests) that clarifies the 5 % cap of the total areas of the Permanent Reserved Forests of the FMU for the conversion purposes starting from 1 July 2012;</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) itself does not fully satisfy the PEFC requirement due to insufficient clarity of term “the limited portion of forest conversion” as it does not ensure that the conversion would not continue after the seven years period defined in the standard.

MC&I (Natural Forest) allows converting 5 % of the total area of the FMU in the first 7 years [assumed of the implementation of the standard]. It is not evident from the standard what restriction on the forest conversion will be applied in the subsequent years (I6.10.1 states that the requirement can be reviewed during the next revision of the standard). The standard does not define a maximum total allowable conversion and if the standard continues in its “annual limits” policy, all forests would disappear during the next 200 years that cannot be considered as “sustainable forest management” practice.

This concern is however resolved by the interpretation guidance that clearly states the 5 % cap of the FMU (respectively PRFs) total forest area calculated cumulatively from 1 January 2012.

It should be noted that the issue of the forest conversion was discussed in detail by the SRC and this debate, especially focused on the total cap of the forest conversion is well recorded in the SRC minutes^[11].

PEFC ST 1003, 5.1.12	MC&I (Natural Forest)
5.1.12 Conversion of abandoned agricultural and treeless land into forest land shall be taken into consideration, whenever it can add economic, ecological, social and/or cultural value.	MTCC argues in the submitted Checklist that there is no abandoned agricultural land in Malaysia that could be converted into forests.
Conclusion: Minor non-conformity (justifiable)	
<p>Justification: MC&I (Natural Forest) does not include a requirement relating to the issue covered by PEFC ST 1003, 5.1.12.</p> <p>The non-conformity (the fact that the issue is not described in MC&I (Natural Forest)) is however justifiable as TJConsulting has sufficient confidence in the MTCC claim that, at this stage of the socio-economic development in Malaysia, including the population growth, there is no abandoned agriculture land and in contrary, there is growing demand for an additional land to be converted into the agricultural use.</p>	

PEFC ST 1003, 5.2.1	MC&I (Natural Forest)
5.2.1 Forest management planning shall aim to maintain and increase the health and vitality of forest ecosystems and to rehabilitate degraded forest ecosystems, whenever this is possible by silvicultural means.	<p>MC&I (Natural Forest), C6.3 requires that ecological functions and values shall be maintained intact, enhanced, or restored, including forest regeneration and succession; genetic, species and ecosystem diversity; and natural cycles that affect the productivity of the forest ecosystem.</p> <p>C6.4 requires that representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the uniqueness of the affected resources and the scale and intensity of operations.</p> <p>C6.5 states that guidelines shall be prepared and implemented to control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources, including the implementation of reduced/low impact logging to minimise damage to the environment (I6.5.2)</p> <p>I6.6.1 requires environmentally friendly pest management techniques.</p> <p>P9 requires identification and protection of HCVFs.</p>
Conclusion: Conformity	

Justification: MC&I (Natural Forest) does not have direct requirements for forest management planning to maintain and increase forest health and vitality and for rehabilitation of degraded forest ecosystems.

However, it is assumed and understood that in the case of natural tropical forests and their management the health and vitality of the forests will mainly depend on their reproduction capacity, species, genetic and structural diversity, harvest rate and damages caused by harvesting operations. The referenced requirements relating to the species and genetic and structural diversity, natural processes, biodiversity protection; and avoidance of damages by forest operations have significant impact on protection of forest health and vitality.

PEFC ST 1003, 5.2.2	MC&I (Natural Forest)
5.2.2 Health and vitality of forests shall be periodically monitored, especially key biotic and abiotic factors that potentially affect health and vitality of forest ecosystems, such as pests, diseases, overgrazing and overstocking, fire, and damage caused by climatic factors, air pollutants or by forest management operations.	<p>MC&I (Natural Forest), C7.1e requires that provisions for monitoring of forest growth and dynamics shall be included in the forest management plan.</p> <p>C8.2 requires Forest management shall include the research and data collection needed to monitor:</p> <ul style="list-style-type: none"> a) Yield of all forest products harvested. b) Growth rates, regeneration and condition of the forest. c) Composition and observed changes in the flora and fauna. d) Environmental and social impacts of harvesting and other operations. <p>MC&I (Natural Forest) requires monitoring of the use of biological control agents (C6.8) and exotic species (C6.9) and their adverse impacts.</p> <p>I6.3.1 requires post-harvest assessment of natural regeneration, and measures to supplement natural regeneration.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) does not have explicit requirements relating to the monitoring of key biotic and abiotic factors (relating to forest health and vitality).

However, it could be assumed that monitoring of regeneration and condition of the forest, composition and changes in the flora and fauna and environmental and social impacts of harvesting (C8.2) would also cover or take into account biotic and abiotic factors influencing forest health and vitality.

PEFC ST 1003, 5.2.3	MC&I (Natural Forest)
5.2.3 The monitoring and maintaining of health and vitality of forest ecosystems shall take into consideration the effects of naturally occurring fire, pests and other disturbances.	<p>MC&I (Natural Forest), C6.3 requires maintenance and enhancement of (c) natural cycles that affect the productivity of the forest ecosystem.</p>

	C7.1 e requires that provisions for monitoring of forest growth and dynamics shall be included in the forest management plan. C8.2 requires that the forest management shall include the research and data collection needed to monitor (b) regeneration and condition of the forest and (c) composition and observed changes in the flora and fauna.
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Conclusion: Conformity

Justification: MC&I (Natural Forest) requires maintenance and enhancement of natural cycles. It can be assumed that monitoring of “forest dynamics” also include the effects and naturally occurring pests and other disturbances.

PEFC ST 1003, 5.2.4	MC&I (Natural Forest)
5.2.4 Forest management plans or their equivalents shall specify ways and means to minimise the risk of degradation of and damages to forest ecosystems. Forest management planning shall make use of those policy instruments set up to support these activities.	MC&I (Natural Forest), C5.5 requires that forest management operations shall maintain and enhance values for forest services and resources, including soil and water (I5.5.1). C6.1 requires identification of environmental impacts of management activities (Environmental Impact Assessment); I6.1.3 requires implementation of measures mitigating those impacts. C6.3 requires maintenance and enhancement of ecological functions and values, including forest regeneration and succession; genetic, species and ecosystem diversity; and natural cycles that affect the productivity of the forest ecosystem. I6.3.1 requires post-harvest assessment. C 6.5 requires preparation and implementation of guidelines to control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources. I6.3.2 requires implementation of Reduce Impact Logging practices. C7.1 defines minimum content of a forest management plan including Environmental safeguards based on environmental assessments (C7.1f) and description and justification of harvesting techniques and equipment to be used (C7.1i).

Conclusion: Conformity

Justification: MC&I (Natural Forest) requires a systemic approach of assessing environmental impacts of management activities and mitigating those negative impacts. Additional requirements require protection of forest values and services and minimisation of damages caused by forestry operations.

PEFC ST 1003, 5.2.5	MC&I (Natural Forest)
5.2.5 Forest management practices shall make best use of natural structures and processes and use preventive biological measures wherever and as far as economically feasible to maintain and enhance the health and vitality of forests. Adequate genetic, species and structural diversity shall be encouraged and/or maintained to enhance the stability, vitality and resistance capacity of the forests to adverse environmental factors and strengthen natural regulation mechanisms.	MC&I (Natural Forest), C6.3 requires that ecological functions and values shall be maintained intact, enhanced, or restored, including forest regeneration and succession; genetic, species and ecosystem diversity; and natural cycles that affect the productivity of the forest ecosystem. I6.3.1 requires post-harvest assessment and I6.3.2 requires conservation of genetic, species and ecosystem diversity. I6.6.1 requires management policy on environmentally friendly non-chemical methods of pest management.
Conclusion: Conformity	
Justification: MC&I (Natural Forest) sufficiently covers the PEFC requirement.	

PEFC ST 1003, 5.2.6	MC&I (Natural Forest)
5.2.6 Lighting of fires shall be avoided and is only permitted if it is necessary for the achievement of the management goals of the forest management unit.	MC&I (Natural Forest) does not include provisions for prohibition of the usage of fires as the management practice.
Conclusion: Minor non-conformity (justifiable)	
Justification: MTCC argues in the submitted Checklist that fires are not used as a management technique in Malaysian forests. TJConsulting has sufficient confidence that fires are not used as a management technique in the natural tropical forests in Malaysia and that it is justifiable for MC&I (Natural Forest) not to include requirements regulating those activities.	

PEFC ST 1003, 5.2.7	MC&I (Natural Forest)
5.2.7 Appropriate forest management practices such as reforestation and afforestation with tree species and provenances that are suited to the site conditions or the use of tending, harvesting and transport techniques that minimise tree and/or soil damages shall be applied. The spillage of oil during forest management operations or the indiscriminate disposal of waste on forest land shall be strictly avoided. Non-organic waste and litter shall be avoided, collected, stored in designated areas and removed in an environmentally-responsible manner.	MC&I (Natural Forest), C6.3 requires that ecological functions and values shall be maintained intact, enhanced, or restored, including forest regeneration and succession; genetic, species and ecosystem diversity; and natural cycles that affect the productivity of the forest ecosystem. I6.3.1 requires post-harvest assessment and measures to supplement natural regeneration, where necessary. I6.3.2 requires conservation of genetic, species and ecosystem diversity. C6.5 requires preparation and implementation of guidelines to control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources. I6.5.2 requires implementation of reduced/low impact logging to minimise damage to the environment. C6.7 requires that chemicals, containers, liquid and solid non-organic wastes including fuel and

	<p>oil shall be disposed of in an environmentally appropriate manner and legal manner at off-site locations.</p> <p>I6.9.1 requires that preference shall be given to native species in enrichment planting.</p>
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Conclusion: Conformity

Justification: Taking into account that artificial regeneration plays a marginal role in the management of natural forests, the referenced requirements C6.3 and I6.9.1 sufficiently satisfy the PEFC requirements for tree species and provenances that are suited to the site conditions in reforestation and afforestation.

C6.7 sufficiently cover the issue of controlled management of waste.

C6.5 and relating indicators sufficiently cover the requirement for avoidance of damage by forest operations.

PEFC ST 1003, 5.2.8	MC&I (Natural Forest)
5.2.8 The use of pesticides shall be minimised and appropriate silvicultural alternatives and other biological measures preferred.	<p>MC&I (Natural Forest), C6.6 requires forest manager shall adopt, where possible, environmentally friendly non-chemical methods of pest management, and strive to avoid the use of chemical pesticides.</p> <p>I6.6.1 requires management policy on environmentally friendly non-chemical methods of pest management.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirement.

PEFC ST 1003, 5.2.9	MC&I (Natural Forest)
5.2.9 The WHO Type 1A and 1B pesticides and other highly toxic pesticides shall be prohibited, except where no other viable alternative is available.	MC&I (Natural Forest), C6.6 requires that World Health Organization Type 1A and 1B pesticides shall be prohibited.

Conclusion: Conformity

Justification: MC&I (Natural Forest) meets the requirement.

PEFC ST 1003, 5.2.10	MC&I (Natural Forest)
<p>5.2.10 Pesticides, such as chlorinated hydrocarbons whose derivatives remain biologically active and accumulate in the food chain beyond their intended use, and any pesticides banned by international agreement, shall be prohibited.</p>	<p>MC&I (Natural Forest), C6.6 requires that chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited.</p> <p>The Stockholm Convention was signed by Malaysia on 16 May 2002, but has not yet been ratified (StatusofRatifications/tabid/252/Default.aspx">http://chm.pops.int/Countries>StatusofRatifications/tabid/252/Default.aspx) and there is not sufficient confidence that the pesticides banned by the Stockholm Convention would also be banned by the Malaysian national legislation.</p> <p>MC&I (Natural Forest) only requires compliance with “binding” international conventions and the Stockholm Convention is covered neither under verifiers C1.3 (a list of applicable international conventions) nor C6.6.</p> <p>GD-NF 1/2014 provides an interpretative guidance to C6.6 stating that “any pesticides banned by international agreement shall include those that are defined by the Stockholm Convention on Persistent Organic Pollutants, 1998”.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) restricts the usage of some pesticides (chlorinated hydrocarbons, those active and accumulating in the food chain) as defined by the PEFC requirement.

MC&I (Natural Forest) is not sufficiently explicit that the “international conventions” (C6.6) covers the Stockholm Convention. However, this ambiguity is sufficiently resolved by the adopted guidance document GD-NF 1/2014.

PEFC ST 1003, 5.2.11	MC&I (Natural Forest)
<p>5.2.11 The use of pesticides shall follow the instructions given by the pesticide producer and be implemented with proper equipment and training.</p>	<p>MC&I (Natural Forest), I4.2.3 includes general requirement for appropriate safety and operational equipment in good working condition, including operational procedures. I4.2.5 requires procedures for storage and handling of hazardous material.</p> <p>C6.6 requires that proper equipment and training for chemicals use shall be provided to minimise health and environmental risks.</p> <p>I6.6.2 requires availability and implementation of guidelines and/or procedures on the use of chemicals in the forest approved by relevant</p>

	regulatory authorities; and workers awareness of those guidelines (I6.6.3).
Conclusion: Conformity	
Justification: MC&I (Natural Forest) sufficiently covers the requirement.	

PEFC ST 1003, 5.2.12	MC&I (Natural Forest)
5.2.12 Where fertilisers are used, they shall be applied in a controlled manner and with due consideration for the environment.	<p>MC&I (Natural Forest), C6.6 includes requirements for usage of chemicals (pesticides) in the pest management.</p> <p>I6.6.2 requires availability and implementation of guidelines and/or procedures on the use of chemicals in the forest approved by relevant regulatory authorities; and workers awareness of those guidelines (I6.6.3).</p> <p>MTCC argues^[29] that fertilisers are not in general used under the selective management system that applies to the management of the natural tropical forests in Malaysia (except for forest nurseries). The selective management system is described by the Forestry Manual (2003)^[31] to which MC&I (Natural Forests) refers (5.5.2, 6.2.1, 6.2.2).</p>

Conclusion: Minor non-conformity (justifiable)

Justification: The referenced requirements of MC&I (Natural Forest) are referring to the pest management. The purpose of fertilisers is not to manage or control pests and as such fertilisers are considered as covered by the “chemicals” restrictions of C6.6 and relating indicators.

However, based on the submitted documentation¹³ and the TJConsulting experience, there is low probability that fertilisers would be used in the management of the tropical natural forests in Malaysia and that it is justifiable for the MC&I not to include specific requirements for the fertilisers usage.

PEFC ST 1003, 5.3.1	MC&I (Natural Forest)
5.3.1 Forest management planning shall aim to maintain the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis.	<p>MC&I (Natural Forest), 5.1 requires economic viability and maintenance of production capability (5.1.2) on sustainable basis.</p> <p>MC&I (Natural Forest), 5.2 requires optimal use of forest resources (5.2.1) and diversified mix of forest products (5.2.2).</p> <p>MC&I (Natural Forest), 5.4 requires diversification of local economy and forest production.</p>

¹³ Although the Forestry Manual 2003 was submitted in the Malaysian language only, the translated content chapter of the document provides sufficient confidence that the selective management system is applied for the management of the tropical natural forests in Malaysia.

	MC&I (Natural Forest), 5.5 requires enhancing the value of forest services and forest resources.
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Conclusion: Conformity

Justification: The referenced requirements of MC&I (Natural Forest) cover the requirement

PEFC ST 1003, 5.3.2	MC&I (Natural Forest)
5.3.2 Forest management planning shall aim to achieve sound economic performance taking into account any available market studies and possibilities for new markets and economic activities in connection with all relevant goods and services of forests.	<p>MC&I (Natural Forest), 5.1 requires economic viability and maintenance of production capability (5.1.2).</p> <p>MC&I (Natural Forest), 5.2 requires optimal use of forest resources (5.2.1) and diversified mix of forest products (5.2.2).</p> <p>MC&I (Natural Forest), 5.4 requires diversification of forest production; 5.5 enhancing the value of forest services and resources.</p> <p>MC&I (Natural Forest), 8.2e requires monitoring of costs and efficiency of forest management.</p>

Conclusion: Conformity

Justification: The referenced requirements satisfy the PEFC requirement.

PEFC ST 1003, 5.3.3	MC&I (Natural Forest)
5.3.3 Forest management plans or their equivalents shall take into account the different uses or functions of the managed forest area. Forest management planning shall make use of those policy instruments set up to support the production of commercial and non-commercial forest goods and services.	<p>MC&I (Natural Forest), 7.1 (a/b) requires a forest management plan to includes management objectives and description of forest resources, socio-economic conditions, environmental limitation, etc.</p> <p>MC&I (Natural Forest), 5.4.1 requires diversification of forest products and services and enhancing their values (5.5).</p>

Conclusion: Conformity

Justification: The referenced requirements of MC&I (Natural Forest) sufficiently cover the PEFC requirement.

PEFC ST 1003, 5.3.4	MC&I (Natural Forest)
5.3.4 Forest management practices shall maintain and improve the forest resources and encourage a diversified output of goods and services over the long term.	MC&I (Natural Forest), 5.4 requires diversification of forest production. MC&I (Natural Forest), 5.5 requires enhancing the value of forest services and forest resources.
Conclusion: Conformity	
Justification: The referenced requirements of MC&I (Natural Forest) sufficiently cover the PEFC requirement.	

PEFC ST 1003, 5.3.5	MC&I (Natural Forest)
5.3.5 Regeneration, tending and harvesting operations shall be carried out in time, and in a way that does not reduce the productive capacity of the site, for example by avoiding damage to retained stands and trees as well as to the forest soil, and by using appropriate systems.	MC&I (Natural Forest), 5.1.2 requires maintenance, restoration and enhancement of productive capacity. MC&I (Natural Forest), 5.3 requires minimisation of damage by forestry operations, including implementation of reduced impact logging and damages to residual stands (5.3.1). MC&I (Natural Forest), 6.3 requires maintenance, restoration and enhancement of forest regeneration and succession. MC&I (Natural Forest), 6.5 requires harvesting procedures to ensure soil protection (6.5.1) and reduced impact logging techniques to minimise damage to the environment.
Conclusion: Conformity	
Justification: The referenced requirements of MC&I (Natural Forest) sufficiently satisfy the PEFC requirement.	

PEFC ST 1003, 5.3.6	MC&I (Natural Forest)
5.3.6 Harvesting levels of both wood and non-wood forest products shall not exceed a rate that can be sustained in the long term, and optimum use shall be made of the harvested forest products, with due regard to nutrient off-take.	MC&I (Natural Forest), 5.2 requires the optimal use of forest resources. MC&I (Natural Forest), 5.6 requires that the rate of harvest shall not exceed levels that can be sustained permanently, i.e. estimated regrowth of residual stands within a pre-defined harvesting cycle (5.6.1). I5.6.2 requires records keeping. MC&I (Natural Forest), 7.2 d the forest management plan to include rational for the determination of the harvest rate.
Conclusion: Conformity	

Justification: The referenced requirements of MC&I (Natural Forest) sufficiently satisfy the PEFC requirement.

PEFC ST 1003, 5.3.7	MC&I (Natural Forest)
5.3.7 Where it is the responsibility of the forest owner/manager and included in forest management, the exploitation of non-timber forest products, including hunting and fishing, shall be regulated, monitored and controlled.	MC&I (Natural Forest), 1.5 requires that forest management areas shall be protected from illegal harvesting, hunting and other unauthorised activities. MC&I (Natural Forest), 5.6.2 requires harvesting records of important non-timber forest products and their sustainability in the long-term. MC&I (Natural Forest), 6.2.4 requires control of hunting, fishing and collecting activities.

Conclusion: Conformity

Justification: The referenced requirements of MC&I (Natural Forest) sufficiently satisfy the PEFC requirement.

PEFC ST 1003, 5.3.8	MC&I (Natural Forest)
5.3.8 Adequate infrastructure such as roads, skid tracks or bridges shall be planned, established and maintained to ensure efficient delivery of goods and services while minimising negative impacts on the environment.	MC&I (Natural Forest), 6.5.3 requires guidelines and their implementation for infrastructure construction and minimisation of its negative impacts on environment. Verifiers to 6.5.3 make reference to specific forest roads guidelines in the respective regions.

Conclusion: Conformity

Justification: MC&I (Natural Forest) focuses on minimisation of negative impacts of the infrastructure. Although the standard does not explicitly focus on planning, establishment and maintenance from the point of view of efficient delivery of goods and services, it is assumed that this aspect is interlinked with the infrastructure impacts on environment and that it is covered by the referenced guidelines.

PEFC ST 1003, 5.4.1	MC&I (Natural Forest)
5.4.1 Forest management planning shall aim to maintain, conserve and enhance biodiversity on ecosystem, species and genetic levels and, where appropriate, diversity at landscape level.	MC&I (Natural Forest), 6.2 requires protection of rare, threatened and endangered species and their habitats (6.2.1); establishment of conservation zones and protection areas (6.2.2). MC&I (Natural Forest), 6.3 requires maintenance, restoration and enhancement of ecological functions and values, including genetic, species and ecosystem diversity. MC&I (Natural Forest), 6.4 requires protection of representative samples of existing ecosystems in their natural state.

	<p>MC&I (Natural Forest), 7.1 requires that the management plan shall include environmental safeguards based on environmental assessments (f), plans for rare, threatened and endangered species (g) and maps of protected areas (h).</p> <p>MC&I (Natural Forest), 9.3 requires that the management plan shall “include and implement” specific measures to demarcate, maintain and/or enhance the HCVF attributes.</p>
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Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirement for biological diversity to be considered by planning.

PEFC ST 1003, 5.4.2	MC&I (Natural Forest)
<p>5.4.2 Forest management planning, inventory and mapping of forest resources shall identify, protect and/or conserve ecologically important forest areas containing significant concentrations of:</p> <ul style="list-style-type: none"> a) protected, rare, sensitive or representative forest ecosystems such as riparian areas and wetland biotopes; b) areas containing endemic species and habitats of threatened species, as defined in recognised reference lists; c) endangered or protected genetic <i>in situ</i> resources; and taking into account d) globally, regionally and nationally significant large landscape areas with natural distribution and abundance of naturally occurring species. 	<p>MC&I (Natural Forest), 6.2.1 requires guidelines, and their implementation for identification and protection of endangered, protected, rare and threatened species, including features of their special biological habitat.</p> <p>MC&I (Natural Forest), 6.2.2 requires guidelines, and their implementation, for conservation and protection areas.</p> <p>MC&I (Natural Forest), 6.2.5 requires awareness amongst forest workers and local communities of the endangered, rare and endangered species.</p> <p>MC&I (Natural Forest), 6.3 require protection of genetic diversity.</p> <p>MC&I (Natural Forest), 6.4 requires protection of representative samples of existing ecosystems.</p> <p>MC&I (Natural Forest), Principle 9 requires identification of HCVFs' attributes (9.1) in consultative process (9.2), measures for their protection (9.3).</p> <p>MC&I (Natural Forest) includes definition of the HCVFs that covers:</p> <ul style="list-style-type: none"> a) globally, regionally or nationally significant concentrations of biodiversity values, b) rare, threatened or endangered ecosystems, c) basic services of nature in critical situations (e.g. watershed protection, erosion control).

Conclusion: Conformity

Justification: MC&I (Natural Forest) includes a comprehensive approach of identifying and protecting HCVFs and habitats of rare, threatened and endangered species. The protection of endangered genetic *in-situ* resources is in general covered by 6.3 and it is also assumed that the

genetic diversity is ensured by the selective management system applied in general to the management of the tropical natural forests in Malaysia.

PEFC ST 1003, 5.4.3	MC&I (Natural Forest)
5.4.3 Protected and endangered plant and animal species shall not be exploited for commercial purposes. Where necessary, measures shall be taken for their protection and, where relevant, to increase their population.	MC&I (Natural Forest), 6.2.1 requires identification and protection of endangered, rare and threatened species and their habitats.
Conclusion: Conformity	
Justification: Although not explicit, it is assumed that exploitation of endangered and threatened species for commercial purposes is implicitly covered by their protection.	

PEFC ST 1003, 5.4.4	MC&I (Natural Forest)
5.4.4 Forest management shall ensure successful regeneration through natural regeneration or, where not appropriate, planting that is adequate to ensure the quantity and quality of the forest resources.	MC&I (Natural Forest), 6.3.8 requires maintenance, enhancement and restoration of forest regeneration and succession, including post-harvest assessment of natural regeneration and where necessary, measures for its supplementation.
Conclusion: Conformity	
Justification: The referenced provisions of MC&I (Natural Forest) sufficiently cover the PEFC requirement 5.4.4.	

PEFC ST 1003, 5.4.5	MC&I (Natural Forest)
5.4.5 For reforestation and afforestation, origins of native species and local provenances that are well-adapted to site conditions shall be preferred, where appropriate. Only those introduced species, provenances or varieties shall be used whose impacts on the ecosystem and on the genetic integrity of native species and local provenances have been evaluated, and if negative impacts can be avoided or minimised.	MC&I (Natural Forest), 6.3.8 requires maintenance, enhancement and restoration of forest regeneration and succession, including post-harvest assessment of natural regeneration and where necessary, measures for its supplementation. MC&I (Natural Forest), 6.9.1 requires preference to native species in enrichment planting; and to document, control and monitor the use of exotic species to avoid adverse ecological species.
Conclusion: Conformity	
Justification: The referenced provisions of MC&I (Natural Forest) sufficiently cover PEFC requirement 5.4.5.	

PEFC ST 1003, 5.4.6	MC&I (Natural Forest)
<p>5.4.6 Afforestation and reforestation activities that contribute to the improvement and restoration of ecological connectivity shall be promoted.</p>	<p>MC&I (Natural Forest), 6.2.2 requires guidelines, and their implementation, for representative conservation and protection areas.</p> <p>MC&I (Natural Forest), 6.3.3 requires that harvesting shall take into consideration the conservation of buffer zones and biological corridors for wildlife.</p> <p>MC&I (Natural Forest), 6.5.4 requires guidelines, and their implementation, for conservation of buffer strips along streams and rivers.</p> <p>Principle 9 requires identification and protection of HCVFs.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) satisfies the PEFC requirement.

PEFC ST 1003, 5.4.7	MC&I (Natural Forest)
<p>5.4.7 Genetically-modified trees shall not be used.</p>	<p>MC&I (Natural Forest), 6.8 prohibits the use of genetically modified organisms.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) satisfies the requirement.

PEFC ST 1003, 5.4.8	MC&I (Natural Forest)
<p>5.4.8 Forest management practices shall, where appropriate, promote a diversity of both horizontal and vertical structures such as uneven-aged stands and the diversity of species such as mixed stands. Where appropriate, the practices shall also aim to maintain and restore landscape diversity.</p>	<p>MC&I (Natural Forest), 6.3 requires maintenance, restoration and enhancement of forest regeneration and succession; genetic, species and ecosystem diversity and natural cycles, including post-harvest assessment of regeneration.</p> <p>MTCC argues^[29] that selective management system that is in general used (prescribed) for the management of the tropical natural forests in Malaysia sufficiently delivers diversity of both horizontal and vertical structure of forest stands. The selective management system is described by the Forestry Manual (2003)^[31] to which MC&I (Natural Forests) refers (5.5.2, 6.2.1, 6.2.2).</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) does not include an explicit requirement relating to the structure of forest stands, their horizontal and vertical diversity. However, the compliance has been

assigned based on reference to the Forestry Manual 2003¹⁴ that defines the selective management system, including the minimum diameter prescription as the generally applied management system. It is assumed that the selective management system itself supported by the minimum diameter of harvested trees is sufficient to deliver horizontally and vertically diverse forest stands.

PEFC ST 1003, 5.4.9	MC&I (Natural Forest)
5.4.9 Traditional management systems that have created valuable ecosystems, such as coppice, on appropriate sites shall be supported, when economically feasible.	<p>MTCC argues in the presented Checklist that “coppicing is not practiced in Malaysia.”</p> <p>MC&I (Natural Forest), 3.4 requires that indigenous people are acknowledged and compensated for the application of their traditional knowledge regarding the use of forest species or management.</p> <p>MC&I (Natural Forest) makes mandatory reference to the Forestry manual, 2003 that requires selective silvicultural system that can be considered as originating in the traditional management systems.</p>

Conclusion: Conformity

Justification: It is TJConsulting’s opinion that the requirement is applicable to the management of tropical natural forests in Malaysia and that “coppice” management is only given as an example of “traditional management system”.

Although MC&I (Natural Forest) does not have an explicit requirement to support the traditional management systems, chapter 3.4 requires acknowledging and compensating indigenous people for their traditional knowledge. This implies that forest manager is applying the traditional knowledge and management system, where appropriate.

MC&I (Natural Forest) makes mandatory reference to the Forestry manual, 2003 that requires selective silvicultural system that can be considered as originating in the traditional management systems.

PEFC ST 1003, 5.4.10	MC&I (Natural Forest)
5.4.10 Tending and harvesting operations shall be conducted in a way that does not cause lasting damage to ecosystems. Wherever possible, practical measures shall be taken to improve or maintain biological diversity.	<p>MC&I (Natural Forest), 6.1 requires assessment and minimisation of negative environmental impact of forestry operations.</p> <p>MC&I (Natural Forest), 6.5 requires minimisation of forest damage during the harvesting operation on soil (6.5.1) and water resources (6.5.4).</p> <p>MC&I (Natural Forest), 5.3.1 and 6.5.2 requires implementation of reduced impact logging techniques to minimise damage to residual stands and the environment.</p>

Conclusion: Conformity

¹⁴ Although the Forestry Manual 2003 was submitted in the Malaysian language only, the translated content chapter of the document provides sufficient confidence that the selective management system is applied for the management of the tropical natural forests in Malaysia.

Justification: The referenced provisions of MC&I (Natural Forest) standard sufficiently cover the PEFC requirement.

PEFC ST 1003, 5.4.11	MC&I (Natural Forest)
5.4.11 Infrastructure shall be planned and constructed in a way that minimises damage to ecosystems, especially to rare, sensitive or representative ecosystems and genetic reserves, and that takes threatened or other key species – in particular their migration patterns – into consideration.	MC&I (Natural Forest), 6.2.1 requires guidelines to identify and protect endangered, rare and threatened species and their habitats. MC&I (Natural Forest), 6.3.2 guidelines, and their implementation, for the conservation of genetic, species and ecosystem diversity. MC&I (Natural Forest), 6.5 require minimisation of forest damage during the road construction; 6.5.2 requires guidelines, and their implementation for infrastructure construction.

Conclusion: Conformity

Justification: MC&I (Natural Forest) satisfies the PEFC requirement.

PEFC ST 1003, 5.4.12	MC&I (Natural Forest)
5.4.12 With due regard to management objectives, measures shall be taken to balance the pressure of animal populations and grazing on forest regeneration and growth as well as on biodiversity.	MC&I (Natural Forest), 1.5.2 requires control of encroachment, settlement and other unauthorised activities. MC&I (Natural Forest), 6.2.4 requires that hunting and fishing shall be controlled. MC&I (Natural Forest), 8.2c requires monitoring of composition and changes in fauna.

Conclusion: Conformity

Justification: Although MC&I (Natural Forest) does not include an explicit requirement relating to balancing the pressure of animal population and grazing, the standard requires monitoring of fauna, and control of unauthorised activities that would also include grazing in forests where applicable.

PEFC ST 1003, 5.4.13	MC&I (Natural Forest)
5.4.13 Standing and fallen dead wood, hollow trees, old groves and special rare tree species shall be left in quantities and distribution necessary to safeguard biological diversity, taking into account the potential effect on the health and stability of forests and on surrounding ecosystems.	MC&I (Natural Forest), 6.2.1 requires identification and protection of endangered, rare and threatened species, their habitats, seed trees, salt licks, nesting and feeding areas, etc. MC&I (Natural Forest), 6.4 requires protection, in their natural state, of a representative sample of existing ecosystems in the FMU.

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the PEFC requirement.

PEFC ST 1003, 5.5.1	MC&I (Natural Forest)
5.5.1 Forest management planning shall aim to maintain and enhance protective functions of forests for society, such as protection of infrastructure, protection from soil erosion, protection of water resources and from adverse impacts of water such as floods or avalanches.	<p>MC&I (Natural Forest), 5.5 requires to recognise, maintain and enhance (where appropriate) the value of forest services and resources, such as watersheds and fisheries.</p> <p>MC&I (Natural Forest), 5.5.1 requires identification of sensitive areas for the protection of water and soil.</p> <p>MC&I (Natural Forest), 6.5 requires guidelines, and their implementation, to control erosion and to protect water resources.</p>

Conclusion: Conformity

Justification: The referenced indicators sufficiently cover the PEFC requirement

PEFC ST 1003, 5.5.2	MC&I (Natural Forest)
5.5.2 Areas that fulfil specific and recognised protective functions for society shall be registered and mapped, and forest management plans or their equivalents shall take these areas into account.	<p>MC&I (Natural Forest), 5.5.1 requires identification of sensitive areas for soil protection.</p> <p>MC&I (Natural Forest), 6.5.1 requires harvesting procedures to protect the soil from compaction and erosion.</p> <p>MC&I (Natural Forest), 6.5.2 requires reduce impact logging to minimise damage to environment.</p> <p>MC&I (Natural Forest), 6.5.3 requires guidelines for construction of a forest infrastructure.</p> <p>MC&I (Natural Forest), require guidelines for conservation of buffer strips along streams and rivers.</p> <p>MC&I (Natural Forest), 7.1 requires maps for forest resources, including protected areas.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirement for identification of water and soil sensitive areas and their protection.

PEFC ST 1003, 5.5.3	MC&I (Natural Forest)
5.5.3 Special care shall be given to silvicultural operations on sensitive soils and erosion-prone areas as well as in areas where operations might lead to excessive erosion of soil into watercourses. Inappropriate techniques such as deep soil tillage and use of unsuitable machinery shall be avoided in such areas.	<p>MC&I (Natural Forest), 5.5.1 requires identification of sensitive areas for soil protection.</p> <p>MC&I (Natural Forest), 6.5.1 requires harvesting procedures to protect the soil from compaction and erosion.</p>

Special measures shall be taken to minimise the pressure of animal populations.	MC&I (Natural Forest), 6.5.2 requires reduce impact logging to minimise damage to environment. MC&I (Natural Forest), 6.5.3 requires guidelines for construction of a forest infrastructure.
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Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirements for erosion control, usage of suitable techniques and machinery and wildlife density control.

PEFC ST 1003, 5.5.4	MC&I (Natural Forest)
5.5.4 Special care shall be given to forest management practices in forest areas with water protection functions to avoid adverse effects on the quality and quantity of water resources. Inappropriate use of chemicals or other harmful substances or inappropriate silvicultural practices influencing water quality in a harmful way shall be avoided.	MC&I (Natural Forest), 5.5.1 requires identification of sensitive areas for water resources protection. MC&I (Natural Forest), 6.5.2 requires reduce impact logging to minimise damage to environment. MC&I (Natural Forest), 6.5.3 requires guidelines for construction of a forest infrastructure. MC&I (Natural Forest), require guidelines for conservation of buffer strips along streams and rivers. MC&I (Natural Forest), 6.6.2 requires guidelines/procedures on the use of chemicals. MC&I (Natural Forest), 6.7.1 requires environmentally friendly off-site disposal of chemicals, containers, liquid and solid non-organic wastes.

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirements for avoidance of adverse effects on water resources and inappropriate usage of chemicals.

PEFC ST 1003, 5.5.5	MC&I (Natural Forest)
5.5.5 Construction of roads, bridges and other infrastructure shall be carried out in a manner that minimises bare soil exposure, avoids the introduction of soil into watercourses and preserves the natural level and function of water courses and river beds. Proper road drainage facilities shall be installed and maintained.	MC&I (Natural Forest), 6.5.3 require guidelines, and their implementation on construction of a forest infrastructure, including roads, log landing areas and drainage to control erosion and damage to water resources.

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirements for avoidance of negative impacts to water resources and soil by infrastructure building.

PEFC ST 1003, 5.6.1	MC&I (Natural Forest)
5.6.1 Forest management planning shall aim to respect the multiple functions of forests to society, give due regard to the role of forestry in rural development, and especially consider new opportunities for employment in connection with the socio-economic functions of forests.	<p>MC&I (Natural Forest), 4.1 requires that the communities adjacent to the FMU shall be given priority in the employment, training and other services (social programmes).</p> <p>MC&I (Natural Forest), 5.2 requires diversification of forest products and their local processing.</p>
Conclusion: Conformity	
<p>Justification: MC&I (Natural Forest) sufficiently covers the requirements for multiple functions of forest to society.</p>	

PEFC ST 1003, 5.6.2	MC&I (Natural Forest)
5.6.2 Forest management shall promote the long-term health and well-being of communities within or adjacent to the forest management area.	<p>MC&I (Natural Forest), 4.1 requires that the communities adjacent to the FMU shall be given priority in the employment, training and other services (social programmes).</p> <p>MC&I (Natural Forest), 4.2.2 requires occupational health and safety of workers and their families.</p> <p>MC&I (Natural Forest), 4.4 requires a social impact assessment and consideration of its results in the planning process.</p>
Conclusion: Conformity	
<p>Justification: MC&I (Natural Forest) sufficiently covers the PEFC requirement.</p>	

PEFC ST 1003, 5.6.3	MC&I (Natural Forest)
5.6.3 Property rights and land tenure arrangements shall be clearly defined, documented and established for the relevant forest area. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.	<p>MC&I (Natural Forest), 2.1 requires clear evidence of the long-term forest land use rights of local communities.</p> <p>MC&I (Natural Forest), 2.1.1 requires forest managers to support recognised mechanisms for resolving land claims.</p> <p>MC&I (Natural Forest), 2.2 requires local communities to control their legal or customary tenure or use rights that shall be documented (2.2.1) and respected (2.2.2) by forest managers.</p> <p>MC&I (Natural Forest), 3.1 requires the indigenous peoples to control forest management on their lands; their customary rights shall be documented (3.1.1) and management of these lands shall be supported by the FPIC of the indigenous people.</p>

	MC&I (Natural Forest), 3.2 requires that forest management shall not directly or indirectly threaten or diminish, either directly or indirectly, the resources and tenure rights of the indigenous peoples.
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Conclusion: Conformitys

Justification: MC&I (Natural Forest) sufficiently covers the requirements for the recognition of legal, customary and tenure rights.

PEFC ST 1003, 5.6.4	MC&I (Natural Forest)
5.6.4 Forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration of the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved or is in dispute there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.	<p>MC&I (Natural Forest), Verifiers to 1.3 include the United Nations Declaration of the Rights of Indigenous Peoples.</p> <p>MC&I (Natural Forest), 2.2 requires that local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free, prior and informed consent to other parties. Verifiers to 2.2 include the United Nations Declaration of the Rights of Indigenous Peoples (except for Sarawak).</p> <p>MC&I (Natural Forest), 3.1 requires the indigenous peoples to control forest management on their lands and their customary rights within relevant federal, state and local laws (3.1.1). Those rights shall be documented (3.1.1) and management of these lands shall be supported by the FPIC of the indigenous people to delegate the control over the land to forest managers. Verifiers to 3.1.1 include the United Nations Declaration of the Rights of Indigenous Peoples (except for Sarawak).</p> <p>MC&I (Natural Forest), 3.1.3 requires appropriate mechanisms to resolve any conflicts and grievances between parties involved [a forest manager and the indigenous peoples]. Verifiers to 3.1.3 require maps showing indigenous peoples' rights and records on consultations with indigenous people.</p> <p>MC&I (Natural Forest), 3.2 requires that forest management shall not directly or indirectly threaten or diminish, either directly or indirectly, the resources and tenure rights of the indigenous peoples recognised by relevant federal, state and local laws.</p> <p>MC&I (Natural Forest), 3.4 requires that the indigenous peoples shall be acknowledged and compensated for application of their traditional knowledge based on FPIC.</p>

	<p>MC&I (Natural Forest), 4.5 requires appropriate mechanisms for resolving grievances between local communities and a forest manager.</p> <p>The Minutes of SRC from 20-22 September 2011^[30] indicate that the issue of indigenous people was discussed in detail and that the objective of the standard provisions goes beyond the legislation.</p> <p>GD-NF 2/2014 provides interpretation of the reference to “<u>within the relevant federal, state and local laws</u>” relating to the identification and recognition of indigenous peoples rights. The interpretation clarifies that the identification and recognition of indigenous peoples rights is not limited to those guaranteed by the legislation</p> <p><i>“In addressing sustainability requirements, forest certification requires the FMU manager to take actions that may go beyond the mandate of the federal, state and local laws. Hence, relevant international conventions and declaration have been included in the MC&I(Natural Forest). This is to take cognisance that indigenous peoples, in varying degrees, rely on the resources in their customary lands.”</i></p> <p><i>“In order to accommodate these situations on the ground and in the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and based on the principle of free, prior and informed consent (FPIC), FMU managers are required to undertake effective consultations with the affected local communities and indigenous peoples on matters relating to their legal or customary rights, the application of their traditional knowledge, and fair and equitable compensation for the use of this knowledge.”</i></p> <p><i>“The FMU manager is expected to recognise and respect customary rights where these actions would not result in FMU's violation of the legislative requirements and statutory licensing processes.”</i></p> <p>GD-NF 2/2014 provides interpretation of the term “Free prior and informed consent”. It describes the content of the FPIC term. The guidelines also clarifies the use of consultation and dispute settlement procedures: “...in order to ensure that the indigenous peoples are able to continue their traditional use of the forest, the forest manager is required to undertake a process of consultation: (i) to identify the presence and locations of indigenous peoples in and adjacent to the FMU; and (ii) to confer and determine the areas they traditionally use...”; “...The FMU manager has to take into account the results of such evaluations into the forest</p>
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	<i>planning and management process so as to prevent loss or damage affecting the indigenous peoples' customary rights, property, resources, or their livelihoods. Where such loss or damage has been caused by the forest operations, appropriate mechanisms shall be employed to resolve the grievances and provide fair compensation to the affected party."</i>
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Conclusion: Conformity

Justification: MC&I (Natural Forest) together with GD-NF 2/2014 deliver sufficient confidence of compliance with the PEFC requirement:

- a) the standard includes provisions respecting and protecting indigenous peoples' rights, including free prior and informed consent. Provisions for local populations (Principle 2) and for indigenous peoples (Criterion 3) equally apply to the indigenous peoples;
- b) the standard requires consultation with local populations and indigenous peoples as well as conflict resolution.
- c) the standard includes the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) amongst the "mandatory" verifiers¹⁵ (1.3.1, 2.2.1, 3.1.1). The reference to the UNDRIP itself would be sufficient to demonstrate the compliance with the PEFC requirement as it broadly recognises the indigenous peoples rights, mainly based on the UNDRIP's basic principle of self-declaration as well as the free, prior and informed consent. The Article 26 (1, 2) recognises the indigenous peoples' rights relating to the land.
- d) The standard does not make reference to ILO 169. However, the UNDRIP sufficiently covers issues defined by ILO 169.
- e) The minutes of the SRC meeting are very detailed and provide sufficient confidence that the wording of the standard relating to the indigenous peoples was driven by the objective of broad recognition of the indigenous peoples' rights.
- f) The Guidance to the standard (GD-NF 2/2014) clarifies that the terms "within the relevant federal, state and local laws" and "Free, prior and informed consent" relating to the indigenous peoples rights do not limit the recognition of indigenous peoples' customary rights only to those defined by the legislation. The interpretation requires consultation with indigenous peoples in spirit of UNDRIP.

The evaluation took into account the PEFC Council's interpretation of the term "such as outlined in UNDRIP" of the requirement 5.6.4 of PEFC ST 1003. The PEFC Council confirmed¹⁶ that: "*The reference to UNDRIP in PEFC ST 1003, 5.6.4 shall be interpreted as an example (wording "such as"). So with regard to the framework of legal, customary and traditional rights relevant for the certification scheme (the fm operations on the ground) the scheme shall be in compliance with purpose and spirit of documents listed after "such as".*

¹⁵ Verifiers to 2.2.1 and 3.1.1 only include reference to the UNDRIP for Peninsular Malaysia and Sabah. However, verifier 1.3.1 lists the UNDRIP for all forest managers/management units.

¹⁶ Email of Mr Berger, PEFC Council's Head of Technical Unit, of 27 May 2014.

PEFC ST 1003, 5.6.5	MC&I (Natural Forest)
<p>5.6.5 Adequate public access to forests for the purpose of recreation shall be provided taking into account respect for ownership rights and the rights of others, the effects on forest resources and ecosystems, as well as compatibility with other functions of the forest.</p>	<p>MC&I (Natural Forest), 3.3 requires protection of sites of special cultural, ecological or religious significance to indigenous peoples; 3.3.1 provides the indigenous people with access to those sites (within the federal, state and local laws or by mutual agreement).</p> <p>MTCC argues^[29] that the National Forestry Act (1984)^[24] establishes so called amenity forests dedicated to recreation and public access. In addition, the MTCC argues that restrictions on the public access to the permanent forest reserves is vital to protect forests from illegal logging and another disturbances caused by humans.</p>

Conclusion: Minor non-conformity (justified)

Justification: The access to forests is limited to (i) sites of special cultural, ecological or religious significance; and (ii) is provided based on the mutual agreement between the forest manager and indigenous peoples. The public access defined by the PEFC requirement is significantly broader.

However, the non-conformity has been considered as “justifiable” based on the fact that restrictions on the public access is an important element allowing protection of forest resources against illegal logging and another human disturbances;

PEFC ST 1003, 5.6.6	MC&I (Natural Forest)
<p>5.6.6 Sites with recognised specific historical, cultural or spiritual significance and areas fundamental to meeting the basic needs of local communities (e.g. health, subsistence) shall be protected or managed in a way that takes due regard of the significance of the site.</p>	<p>MC&I (Natural Forest), 3.3 requires protection of sites of special cultural, ecological or religious significance to indigenous peoples; 3.3.1 provides the indigenous people with access to those sites (within the federal, state and local laws or by mutual agreement).</p> <p>MC&I (Natural Forest), Principle 9 require identification and protection of HCVFs that cover forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) satisfies the PEFC requirement.

PEFC ST 1003, 5.6.7	MC&I (Natural Forest)
<p>5.6.7 Forest management operations shall take into account all socio-economic functions, especially the recreational function and aesthetic values of forests by maintaining for example varied forest structures, and by encouraging attractive trees, groves and other features such as colours, flowers and fruits. This shall be done, however, in a way and to an extent that does not lead to serious negative effects on forest resources, and forest land.</p>	<p>MC&I (Natural Forest) defines requirements relating to the forest values for local communities (Principle 2) and for indigenous peoples (Principle 3).</p> <p>MC&I (Natural Forest), 5.5 requires recognition, maintenance and, where appropriate enhancement, of the value of forest services and resources, mainly relating to soil and water protection, watercourses and wetlands (5.5.1).</p> <p>MTCC argues^[29] that the National Forestry Act (1984)^[24] establishes so called amenity forests dedicated to the recreation purposes.</p> <p>MTCC also argues^[29] that selective management system that is in general used (prescribed) for the management of the tropical natural forests in Malaysia sufficiently delivers diversity of forest stands and that this is linked with the aesthetics of forests. The selective management system is described by the Forestry Manual (2003)^[31] to which MC&I (Natural Forests) refers (5.5.2, 6.2.1, 6.2.2).</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) considers socio-economic functions. The standard does not have specific requirements for aesthetic functions, it is however assumed that although subjective in nature, those are sufficiently delivered by the prescribed selective management system applied to the tropical natural forests in Malaysia.

PEFC ST 1003, 5.6.8	MC&I (Natural Forest)
<p>5.6.8 Forest managers, contractors, employees and forest owners shall be provided with sufficient information and encouraged to keep up-to-date through continuous training in relation to sustainable forest management as a precondition for all management planning and practices described in this standard.</p>	<p>MC&I (Natural Forest), 7.3 requires that forest workers shall receive adequate training to ensure proper implementation of management plan and 7.3.1 requires facilities and programmes for the training.</p> <p>MC&I (Natural Forest), 7.3.2 requires that forest managers shall be aware of new scientific and technical information relating to the forest management.</p> <p>MC&I (Natural Forest), 4.1.1 requires appropriate support to training and retraining of local communities to facilitate their employment.</p> <p>MC&I (Natural Forest), 5.3.3 requires regular training for the staff on the reduced impact logging techniques.</p> <p>MC&I (Natural Forest), 6.2.5 relates to the awareness of workers and local communities of endangered, rare and threatened species.</p>

	<p>MC&I (Natural Forest), 6.6.3 relates to the awareness of workers of the use of approved chemicals.</p> <p>MC&I (Natural Forest), 8.2.1 requires that managers shall gather information relating to forest monitoring.</p> <p>MC&I (Natural Forest), 4.2.1 requires dissemination of information on the occupational health and safety to forest workers.</p>
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Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirement.

PEFC ST 1003, 5.6.9	MC&I (Natural Forest)
5.6.9 Forest management practices shall make the best use of local forest-related experience and knowledge, such as those of local communities, forest owners, NGOs and local people.	<p>MC&I (Natural Forest), 3.4 requires acknowledgement and compensation for the knowledge of indigenous peoples.</p> <p>MC&I (Natural Forest), 6.2.3 requires cooperation between forest managers and conservation organisation and regulatory authorities.</p> <p>MC&I (Natural Forest), 9.2.1 requires consultation with relevant stakeholders in the process of identification of HCVFs.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirement. The main emphasis is focused on the knowledge of the indigenous people.

PEFC ST 1003, 5.6.10	MC&I (Natural Forest)
5.6.10 Forest management shall provide for effective communication and consultation with local people and other stakeholders relating to sustainable forest management and shall provide appropriate mechanisms for resolving complaints and disputes relating to forest management between forest operators and local people.	<p>MC&I (Natural Forest), 4.5.2 requires a mechanism for resolution of grievances of local communities.</p> <p>MC&I (Natural Forest), 3.1.3, 3.3.2 and 3.4.2 requires a mechanism for resolution of conflicts with indigenous people.</p> <p>MC&I (Natural Forest), 3.3 requires consultation with indigenous people concerning sites of social significance.</p> <p>MC&I (Natural Forest), 4.3.4 requires a mechanism for resolution of conflicts with workers.</p> <p>MC&I (Natural Forest), 4.4.1 requires evaluation of social impacts in consultation with people and groups affected by forest operations.</p> <p>MC&I (Natural Forest), 6.2.3 requires cooperation between forest managers and</p>

	<p>conservation organisation and regulatory authorities concerning the biodiversity issues.</p> <p>MC&I (Natural Forest), 9.2.1 requires consultation with stakeholders on the maintenance and enhancement of HCVFs attributes.</p>
Conclusion: Conformity	

Justification: The referenced provisions of MC&I (Natural Forest) sufficiently cover the PEFC requirement.

PEFC ST 1003, 5.6.11	MC&I (Natural Forest)
5.6.11 Forestry work shall be planned, organised and performed in a manner that enables health and accident risks to be identified and all reasonable measures to be applied to protect workers from work-related risks. Workers shall be informed about the risks involved with their work and about preventive measures.	<p>MC&I (Natural Forest), 4.2.1 requires dissemination of information on all applicable laws and regulations relating to the occupational health and safety. Verifiers to this requirement includes Guidelines on Occupational Safety and Health in Logging Operations.</p> <p>MC&I (Natural Forest), 4.2.2 requires management policies relating to the occupational health and safety of workers and their families in accordance with applicable regulations and legislation.</p> <p>MC&I (Natural Forest), 4.2.3 requires appropriate equipment and procedures.</p> <p>MC&I (Natural Forest), 4.2.4 requires keeping records on compliance with applicable legislation and regulation.</p> <p>MC&I (Natural Forest), 6.6.3 requires that workers are aware of the procedures on the use of chemicals.</p>

Conclusion: Conformity

Justification: The requirements for health and safety are linked to the compliance with the applicable laws and regulations in Malaysia.

Guidelines on Occupational Safety and Health in Logging Operations (http://www.dosh.gov.my/index.php?option=com_docman&task=doc_download&gid=607&Itemid=179&lang=en) referred to in the verifiers section requires the employer to identify, assess and manage hazards (1.2.7) and to inform the employees of the hazards they are exposed to, how to minimise the hazards, where the necessary clothing and equipment are kept, and what to do if an emergency arises when they are at work (1.2.7).

PEFC ST 1003, 5.6.12	MC&I (Natural Forest)
<p>5.6.12 Working conditions shall be safe, and guidance and training in safe working practices shall be provided to all those assigned to a task in forest operations.</p>	<p>MC&I (Natural Forest), 4.2.1 requires dissemination of information on all applicable laws and regulations relating to the occupational health and safety.</p> <p>MC&I (Natural Forest), 4.2.2 requires management policies relating to the occupational health and safety of workers and their families in accordance with applicable regulations and legislation.</p> <p>MC&I (Natural Forest), 4.2.3 requires appropriate equipment and procedures.</p> <p>MC&I (Natural Forest), 4.2.4 requires keeping records on compliance with applicable legislation and regulation.</p> <p>MC&I (Natural Forest), 4.2.5 requires demarcation of hazardous areas and guidelines for storage and handling of hazardous materials.</p> <p>MC&I (Natural Forest), 6.6.3 requires that workers are aware of the procedures on the use of chemicals.</p>
Conclusion: Conformity	Justification: MC&I (Natural Forest) satisfies the requirement, mainly through 4.2.3.

PEFC ST 1003, 5.6.13	MC&I (Natural Forest)
<p>5.6.13 Forest management shall comply with fundamental ILO conventions.</p>	<p>MC&I (Natural Forest), 1.3 requires that all binding international agreements applicable to forest management shall be respected; and forest managers shall be aware of them (1.3.1). Verifiers to 1.3 then list specific Articles of all eight ILO fundamental conventions.</p> <p>MC&I (Natural Forest), 4.3 requires compliance with ILO 87 and 98 concerning workers' free association and bargaining.</p> <p>MC&I (Natural Forest), 4.3.2 refers to ILO 111 (Discrimination) and ILO 100 (equal remuneration) in connection with workers right to organise and collective bargaining.</p> <p>MC&I (Natural Forest), 4.3.3 states that the right of workers to benefits and protection is assured under applicable laws and/or regulations.</p> <p>GD-NF-1/2014 provides an interpretative guidance to Criterion 1.3 clarifying that the term "binding international agreements" are not confined to conventions that have been</p>

	ratified by Malaysia and that all conventions and agreement listed as Verifiers to 1.3.1 shall be complied with.
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Conclusion: Conformity

Justification: Malaysia has ratified¹⁷ 6 out of 8 fundamental conventions (C029, C098, C100, C105, C138 and C182). However only 5 are in force as C105 was denounced. (http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102960).

The reference to the ILO fundamental Conventions in the Verifiers section for 1.3.1 is ambiguous as the term “binding” in 1.3, 1.3.1 can be interpreted that mandatory are only those that have been ratified/adopted by the Malaysian government. However, this ambiguity was sufficiently resolved by the adopted guidance document.

PEFC ST 1003, 5.6.14	MC&I (Natural Forest)
5.6.14 Forest management shall be based inter alia on the results of scientific research. Forest management shall contribute to research activities and data collection needed for sustainable forest management or support relevant research activities carried out by other organisations, as appropriate.	MC&I (Natural Forest), 7.2 requires that a management plan is revised to incorporate new scientific knowledge. MC&I (Natural Forest), 8.2 defines areas of data collection within monitoring activities, and their implementation within management planning (8.4).

Conclusion: Conformity

Justification: MC&I (Natural Forest) does not include explicit requirement that would require the forest manager to carry out or to support the research activities.

However, the Conformity statement has been assigned based on the fact that:

- a) MC&I (Natural Forest), 7.2 requires the forest manager to incorporate the new scientific knowledge into forest management plan and it can be implied that in order to obtain the new scientific knowledge, the forest manager would need to perform research activities, to participate in other body's research activities or to obtain it elsewhere.
- b) The forestry research is mainly based on data provided by monitoring activities. MC&I (Natural Forest), Principle 8 includes comprehensive requirements on forest monitoring and data collection.

¹⁷ There is some ambiguity on which of the ILO fundamental Conventions are in force in Malaysia as the ILO website includes information that none of the ILO fundamental Conventions are in force as they have to be ratified and implemented at the state level (see for example http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103594 for Sarawak). MTCC clarified this issue by providing an official statement of the Ministry of Human Resources^[32] stating that the ILO Fundamental Conventions are in force by ratification at the federal level.

PEFC ST 1003, 5.7.1	MC&I (Natural Forest)
<p>5.7.1 Forest management shall comply with legislation applicable to forest management issues including forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous people; health, labour and safety issues; and the payment of royalties and taxes.</p>	<p>MC&I (Natural Forest), 1.1 requires compliance with applicable federal, state and local laws and administrative requirements; availability of the applicable up-to-date laws and regulations (1.1.1) and awareness of a forest manager of the laws and regulations (1.1.2).</p> <p>MC&I (Natural Forest), 1.2 requires payment of all applicable fees, royalties and taxes.</p> <p>MC&I (Natural Forest), 1.3 requires compliance with all binding international conventions.</p> <p>Verifiers to the respective requirements list the applicable legislation in particular regions of Malaysia.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the requirement. The list of legislation and regulations in the verifiers' section provides sufficient confidence that the legal compliance covers all areas specified by the PEFC requirement.

PEFC ST 1003, 5.7.2	MC&I (Natural Forest)
<p>5.7.2 Forest management shall provide for adequate protection of the forest from unauthorised activities such as illegal logging, illegal land use, illegally initiated fires, and other illegal activities.</p>	<p>MC&I (Natural Forest), 1.5 requires protection of forests from illegal harvesting, settlement and other unauthorised activities of other parties.</p> <p>MC&I (Natural Forest), 6.2.3 requires cooperation with regulatory authorities in nature conservation and 6.2.4 requires control of hunting, fishing and collecting activities, and prevention of inappropriate activities.</p>

Conclusion: Conformity

Justification: MC&I (Natural Forest) sufficiently covers the PEFC requirement.

8.5 Assessment of the chain of custody requirements

MTCC submitted as a part of the application for the scheme assessment the PEFC international chain of custody standard, PEFC ST 2002:2013¹⁸. Therefore the assessment will be only focused on the fact of whether or not MTCC formally adopted PEFC ST 2002:2013 as a part of its scheme.

MTCC provided information^[17, 29] that on 13 June 2011, the MTCC Board of Trustees adopted PEFC ST 2002:2010 as a part of the MTCS^[26]. In addition, MTCC provided information^[29,34] that on 16 December 2013, the MTCC Board of Trustees adopted as a part of the MTCS PEFC ST 2002:2013 and that the document has been published at the MTCC website (<http://www.mtcc.com.my/certification-standards>).

MTCC adopted PEFC ST 2002:2010 and PEFC ST 2002:2013 as a part of the MTCS.

¹⁸ It should be noted that until 24 February 2014, PEFC ST 2002:2013 is in transition period and PEFC ST 2002:2010 is still valid. However, the MTCS documentation makes reference to PEFC ST 2002:2013 and the assessment was therefore focused on whether or not PEFC ST 2002:2013 was formally adopted as a part of the scheme.

8.6 Requirements for certification bodies

8.6.1 Requirements for chain of custody certification bodies

MTCS 6/2014 (The Malaysian Timber Certification Scheme (MTCS) and Its Implementation Arrangement), ch. 3.7 (ii) requires that certification bodies operating chain of custody certification shall fulfil requirements of PEFC ST 2003:2012.

Although the tender dossier of 9 August 2013 requires that the assessment of certification and accreditation procedures would be carried out against Annex 6 of the PEFC Council Technical Document, it is assumed that **through the mandatory reference to PEFC ST 2003:2012 the scheme sufficiently complies with the PEFC Council requirements for chain of custody certification bodies** and that the requirements of Annex 6 are not applicable for this assessment (for chain of custody certification bodies)¹⁹.

¹⁹ Therefore, in chapter 8.6.2, Annex 6 is only used for the assessment of the scheme's requirements for certification bodies operating forest management certification. The requirements specific to the chain of custody certification are identified as "not applicable".

8.6.2 Assessment of requirements for forest management certification bodies

8.6.2.1 Introduction and summary

Coverage and scope of requirements

The assessment of requirements for certification bodies operating forest management certification is carried out against Annex 6 of the PEFC Council Technical Document. Those parts of the requirements that refer to the chain of custody certification are not considered.

MTCS defined the requirements for certification bodies in MTCS 6/2014 that **complies with** the PEFC Council requirements of Annex 6 of the PEFC Council's Technical Document.

Although the MTCS 6/2014 requirements comply with the PEFC Council requirements, they are rather minimalistic and in majority cases only copy the minimum requirements defined in Annex 6. MTCS 6/2014 also refers to additional requirements defined by Standards Malaysia that have not however been submitted for this assessment.

Certification and accreditation framework

The MTCS has chosen to consider forest management certification as “management system certification” and requires the certification bodies to comply with and to be accredited against ISO 17021:2011. The scheme requires an accreditation issued by Standards Malaysia, an accreditation body that meets ISO 17011 requirements and is a member of the International Accreditation Forum (IAF). By requiring the accreditation body’s logo to be displayed on the certificate, the documentation requires the certification to be carried out within the scope of the issued accreditation (“accredited” certification).

Control of the PEFC Logo

The scheme requires the certification body to control the usage of the PEFC Logo where the certified entity is the PEFC Logo user. In addition, MTCS 6/2014 requires the certification body to ensure that certified entities apply for the PEFC Logo usage license to MTCC.

PEFC notification of certification bodies

MTCS 6/2014 requires that certification bodies shall be notified by MTCC. Detailed procedures for the issuance of MTCC/PEFC notification is included in NCB 5/2014.

8.6.2.2 Detailed assessment

Annex 6 of the PEFC TD	MTCS 6/2014
Does the scheme documentation require that certification shall be carried out by impartial, independent third parties that cannot be involved in the standard setting process as governing or decision making body, or in the forest management and are independent of the certified entity?	<p>MTCS 6/2014, ch. 3.5 requires that the certification body shall be impartial towards the certified client and shall not be involved in the standard setting as a governing or decision making body.</p> <p>MTCS 6/2014, 3.7 (i) requires that the certification body shall fulfil requirements of ISO 17021:2011. This ISO standard sufficiently covers the certification body's impartiality and independence of the certified client.</p> <p>MTCS 6/2014 as well as SSP 3/2014 clearly states that the MTCC is the standardisation body responsible for the development of the MTCS scheme and its governance. Therefore a certification body cannot be involved in the MTCS standard setting process as the decision making or governing body.</p>
Conclusion: Conformity	
Justification: MTCS satisfies the requirement through an explicit requirement as well as through references to ISO 17021 and clear definition of the standardisation body.	

Annex 6 of the PEFC TD	MTCS 6/2014
Does the scheme documentation require that certification body for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil requirements defined in ISO 17021 or ISO Guide 65?	MTCS 6/2014, 3.7 (i) and 7.2 require that the certification body shall fulfil requirements of ISO 17021:2011.
Conclusion: Conformity	
Justification: MTCS 6/2014 satisfies the requirement.	

Annex 6 of the PEFC TD	MTCS 6/2014
Does the scheme documentation require that certification bodies carrying out forest certification shall have the technical competence in forest management on its economic, social and environmental impacts, and on the forest certification criteria?	MTCS 6/2014, 3.7 (iii) requires that the certification body carrying out forest management certification shall have the technical competence in forest management, on its economic, social and environmental impacts, and a good understanding of the standard for forest management certification used in the MTCS.
Conclusion: Conformity	
Justification: MTCS 6/2014 satisfies the requirement.	

Annex 6 of the PEFC TD	MTCS 6/2014
Does the scheme documentation require that certification bodies shall have a good understanding of the national PEFC system against which they carry out forest management or C-o-C certifications?	MTCS 6/2014, 3.7 (iii) requires that the certification body carrying out forest management certification shall have a good understanding of the standard for forest management certification used in the MTCS.
Conclusion: Conformity	
Justification: MTCS 6/2014 satisfies the requirement.	

Annex 6 of the PEFC TD, 3.2	MTCS 6/2014
Does the scheme documentation require that certification bodies have the responsibility to use competent auditors and who have adequate technical know-how on the certification process and issues related to forest management or chain of custody certification?	MTCS 6/2014, 3.10 requires that the certification body has the responsibility to use competent auditors that have suitable academic qualification and adequate technical know-how on the certification process and issues related to forest management or chain of custody certification, respectively. MTCS 6/2014, 3.11 requires that for forest management certification, the auditors shall fulfil the requirements as defined in Part II of ISO/IEC 17021:2011. MTCS 6/2014, 3.13 requires that the auditors shall fulfil other requirements defined by Standards Malaysia (the Malaysian national accreditation body).
Conclusion: Conformity	
Justification: MTCS 6/2014 satisfies the requirement.	

Annex 6 of the PEFC TD, 3.2	MTCS 6/2014
Does the scheme documentation require that the auditors must fulfil the general criteria of ISO 19011 for Quality Management Systems auditors or for Environmental Management Systems auditors?	MTCS 6/2014, 3.11 requires that for forest management certification, the auditors shall fulfil the requirements as defined in Part II of ISO/IEC 17021:2011.
Conclusion: Conformity	
<p>Justification: MTCS 6/2014 does not require that the auditors shall fulfil the general criteria of ISO 19011. However, the PEFC Council is referring to ISO 19011:2002 and the general auditors requirements of ISO 19011:2002 have been incorporated into ISO 17021:2011. Therefore, the mandatory reference to ISO 17021 is sufficient for demonstrating compliance with general requirements of ISO 19011.</p>	

Annex 6 of the PEFC TD, 3.2	MTCS 6/2014
Does the scheme documentation include additional qualification requirements for auditors carrying out forest management or chain of custody audits?	MTCS 6/2014 refers to additional requirements defined by Standards Malaysia (the Malaysian national accreditation body).
Conclusion: Not mandatory requirement	

Annex 6 of the PEFC TD, 3.2	MTCS 6/2014
Does the scheme documentation require that certification bodies shall have established internal procedures for forest management and/or chain of custody certification?	MTCS 6/2014, 6.3 requires that the certification body shall have established internal procedures for auditing and certification against the standards used in the MTCS. It should also make publicly accessible, or provide upon request, information describing the auditing and certification processes for granting, maintaining, extending, renewing, reducing, suspending or withdrawing certification.
Conclusion: Conformity	
<p>Justification: MTCS 6/2014 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does the scheme documentation require that applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in ISO 17021 or ISO Guide 65?	MTCS 6/2014, 3.7 (i), 6.5 and 7.2 require that the certification body shall fulfil requirements of ISO 17021:2011.
Conclusion: Conformity	
Justification: MTCS 6/2014 satisfies the requirement.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does the scheme documentation require that applied auditing procedures shall fulfil or be compatible with the requirements of ISO 19011?	MTCS 6/2014, 3.7 (i), 6.5 and 7.2 require that the certification body shall fulfil requirements of ISO 17021:2011.
Conclusion: Conformity	
Justification: MTCS 6/2014 does not require that the certification procedures shall fulfil the general criteria of ISO 19011. However, the PEFC Council is referring to ISO 19011:2002 and the general requirements for certification process of ISO 19011:2002 have been incorporated into ISO 17021:2011. Therefore, the mandatory reference to ISO 17021 is sufficient for demonstrating compliance with general requirements of ISO 19011:2002.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014, NCB 5/2014
Does the scheme documentation require that certification body shall inform the relevant PEFC National Governing Body about all issued forest management and chain of custody certificates and changes concerning the validity and scope of these certificates?	MTCS 6/2014, ch. 6.10 and 6.11 require that the certification body shall inform MTCC about all the certificates that it has issued, and changes concerning the validity and scope of these certificates. NCB 5/2014, ch. 5 and Appendix II, 2(3) requires that the notified certification body shall provide MTCC, without undue delay, information on every forest management system and/or chain of custody certificate that the PEFC notified certification body issues to a client organisation covered by the PEFC notification and/or information on any changes to currently issued certificates.
Conclusion: Conformity	
Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014, LG 6/2014
Does the scheme documentation require that certification body shall carry out controls of PEFC logo usage if the certified entity is a PEFC logo user?	MTCS 6/2014, 3.6 requires that the certification body is responsible for controlling the use of the MTCS and PEFC Logos. LG 6/2014, ch. 6.3 states that PEFC Logo usage is subject to monitoring carried out by accredited certification bodies, MTCC and its appointed agents. LG 6/2014 Appendix C (Logo usage license agreement), 7(7 ii, iii) require that the logo user shall provide MTCC with information on the PEFC Logo usage verified by the certification body.
Conclusion: Conformity Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does a maximum period for surveillance audits defined by the scheme documentation not exceed more than one year?	MTCS 6/2014, ch. 6.13 requires that the maximum period for the surveillance audit is one year and for the recertification audit is three years. MTCS 6/2014, 3.7 (i), 6.5 and 7.2 require that the certification body shall fulfil requirements of ISO 17021:2011.
Conclusion: Conformity Justification: MTCS 6/2014 has an explicit requirement on the periodicity of the surveillance audits. In addition, MTCS 6/2014 requires compliance with ISO 17021 which also requires annual surveillance audits.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does a maximum period for assessment audit not exceed five years for both forest management and chain of custody certifications?	MTCS 6/2014, ch. 6.13 requires that the maximum period for the surveillance audit is one year and for the recertification audit is three years. MTCS 6/2014, 3.7 (i), 6.5 and 7.2 require that the certification body shall fulfil requirements of ISO 17021:2011.
Conclusion: Conformity Justification: MTCS 6/2014 has an explicit requirement for recertification audits (3 years). In addition, MTCS 6/2014 requires compliance with ISO 17021 which also maximum 3 years period for re-certification audits.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does the scheme documentation include requirements for public availability of certification report summaries?	MTCS 6/2014 requires that for forest management certification, a summary of the audit report, including a summary of findings on the auditee's conformity with the forest certification standard, written by the certification body, shall be made available to the public in a timely manner by the certification body.
Conclusion: Conformity	
Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does the scheme documentation include requirements for usage of information from external parties as the audit evidence?	MTCS 6/2014, 6.4 states that the audit will include communication or consultation with stakeholders (where necessary). MTCS 6/2014, 6.7 requires that the audit evidence to determine the conformity with the forest certification standard shall include relevant information from external parties (e.g. government agencies, community groups, environmental and social non-governmental organisations, etc.) as appropriate.
Conclusion: Conformity	
Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 4	MTCS 6/2014
Does the scheme documentation include additional requirements for certification procedures?	MTCS 6/2014, 6.6 refers to additional requirements of Standards Malaysia.
Conclusion: Not mandatory requirement	

Annex 6 of the PEFC TD, 5	MTCS 6/2014, NCB 5/2014
Does the scheme documentation require that certification bodies carrying out forest management and/or chain of custody certification shall be accredited by a national accreditation body?	MTCS 6/2014, ch. 7.1 requires that certification bodies shall be accredited by Standards Malaysia. NCB 5/2014, ch. 3 requires that certification body shall have a valid accreditation certificate issued by the Department of Standards Malaysia ("STANDARDS MALAYSIA"),
Conclusion: Conformity	
Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 5	MTCS 6/2014
Does the scheme documentation require that an accredited certificate shall bear an accreditation symbol of the relevant accreditation body?	MTCS 6/2014, ch. 7.1 requires that information on accreditation including the accreditation number and name of the accreditation body shall accompany any certificate issued by the accredited certification body under the MTCS.
Conclusion: Conformity	
Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 5	MTCS 6/2014, NCB 5/2014
Does the scheme documentation require that the accreditation shall be issued by an accreditation body which is a part of the International Accreditation Forum (IAF) umbrella or a member of IAF's special recognition regional groups and which implement procedures described in ISO 17011 and other documents recognised by the above mentioned organisations?	MTCS 6/2014, ch. 7.1 requires that certification bodies shall be accredited by the Standards Malaysia and states that the Standards Malaysia is a member of the International Accreditation Forum and follows ISO 17011. NCB 5/2014, ch. 3 requires that certification body shall have a valid accreditation certificate issued by the Department of Standards Malaysia ("STANDARDS MALAYSIA"), that is a member of the IAF.
Conclusion: Conformity	
Justification: MTCS satisfies the requirement.	

Annex 6 of the PEFC TD, 5	MTCS 6/2014
Does the scheme documentation require that certification body undertake forest management or/and chain of custody certification against a scheme specific chain of custody standard as "accredited certification" based on ISO 17021 or ISO Guide 65 and the relevant forest	MTCS 6/2014, 7.2 requires that the certification body shall be accredited based on ISO/IEC 17021 and shall be covered by the accreditation scope, which specifies the standard(s) used in the MTCS. MTCS 6/2014, ch. 7.1 requires that information on accreditation including the accreditation

management or chain of custody standard(s) shall be covered by the accreditation scope?	<p>number and name of the accreditation body shall accompany any certificate issued by the accredited certification body under the MTCS.</p> <p>MTCS 6/2014, ch. 8.1 requires that MTCC only recognises certificates issued by accredited certification bodies within the scope of the certification body's accreditation (accredited certification).</p> <p>NCB 5/2014, Appendix II (Notification Contract), 2(2) requires that the notified certification body carries out the certification within the scope of its accreditation.</p>
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Conclusion: Conformity

Justification: MTCS satisfies the requirement.

Annex 6 of the PEFC TD, 5	MTCS 6/2014, NCB 5/2014
Does the scheme documentation include a mechanism for PEFC notification of certification bodies?	<p>MTCS 6/2014, ch. 8.1 and 8.2 require that certification bodies shall be notified by the MTCC.</p> <p>NCB 5/2014 defines procedures for the notification of certification bodies.</p>

Conclusion: Conformity

Justification: MTCS satisfies the requirement.

Annex 6 of the PEFC TD, 5	NCB 5/2014
Are the procedures for the notification of certification bodies non-discriminatory?	NCB 5/2014 does not include procedures that would be discriminatory for forest management certification bodies.

Conclusion: Conformity

Justification: MTCS satisfies the requirement.

8.7 Requirements for dispute settlement procedures in the administration of the PEFC scheme

8.7.1 Introduction and summary

The PEFC Council requirements for the dispute settlement in the administration of the PEFC scheme are defined in PEFC GD 1004:2009, ch. 8.1 and require that "*The PEFC Council and the authorised bodies shall have written procedures for dealing with complaints relating to the governance and administration of the PEFC scheme.*" The scope of the term "administration of the PEFC scheme" is further clarified as activities of the PEFC authorised body for a) PEFC notification of certification bodies, b) PEFC Logo usage licensing and c) operation of the PEFC Registration System.

MTCS 6/2014, chapter 10 describes dispute settlement procedures within the MTCS and refers to DRP 2/2013, including disputes relating to the notification of certification bodies and issuance of the PEFC Logo.

DRP 2/2013 defines detailed dispute settlement procedures for complaints/disputes involving MTCC (chapter 4) and complaints/disputes not involving MTCC (chapter 5). DRP 2/2013 chapter 2.2 explicitly cover resolution of disputes relating to the notification of certification bodies and issuance of the PEFC Logo.

DRP 2/2013 **complies** with the PEFC Council requirements for dispute settlement in the administration of the PEFC scheme (PEFC GD 1004:2009).

8.7.2 Detailed assessment

PEFC GD 1004, 8.1

8.1 ...the authorised bodies shall have written procedures for dealing with complaints relating to the governance and administration of the PEFC scheme.

MTCS 6/2014, chapter 10 describes dispute settlement procedures within the MTCS and refers to DRP 2/2013, including disputes relating to the notification of certification bodies and issuance of the PEFC Logo.

DRP 2/2013 defines detailed dispute settlement procedures that cover resolution of disputes relating to the notification of certification bodies and issuance of the PEFC Logo (2.2).

Compliance: Conformity

Justification: MTCS has procedures that cover complaints arising from the administration of the PEFC scheme.

PEFC GD 1004, 8.2

8.2a [Upon receipt of the complaint, the procedures shall provide for]: acknowledgement of the complaint to the complainant

DRP 2/2013, ch. 4.1.2 requires that the Chair of the DRC shall acknowledge receipt of all disputes in writing.

Compliance: Conformity

Justification: DRP 2/2013 satisfies the PEFC requirement.

8.2b [Upon receipt of the complaint, the procedures shall provide for]: gathering and verification of all necessary information, validation and impartial evaluation of the complaint, and decision making on the complaint

DRP 2/2013, ch. 3.1 requires that a permanent 3-members Dispute Resolution Committee (DRC) is set up by the MTCC's Board of Trustees, Chapter 7.1 and 7.2 resolve a potential conflict of interests of the DRC's members.

DRP 2/2013, ch. 4.4 requires MTCC to invite parties concerned by the complaint to provide their response in writing and chapter 4.5 requests the DRC to consider the complaint based on information included in the complaint and responses of the concerned parties. The decision of the DRC is final (4.5.5)

Compliance: Conformity

Justification: DRP 2/2013 requires impartial investigation and decision making of the complaint.

8.2c [Upon receipt of the complaint, the procedures shall provide for]: formal communication of the decision on the complaint and the complaint handling process to the complainant and concerned parties

DRP 2/2013, ch. 4.5.6 requires that the DRC shall inform the complainant, MTCC and other responding parties about the outcome of the dispute resolution process, including recommendations or remedial actions, in writing.

Compliance: Conformity

Justification: DRP 2/2013 satisfies the PEFC requirement.

8.2d [Upon receipt of the complaint, the procedures shall provide for]: appropriate corrective and preventive actions.

DRP 2/2013, ch. 4.5.6 requires that the DRC shall inform the complainant, MTCC and other responding parties about the outcome of the dispute resolution process, including recommendations or remedial actions, in writing.

Compliance: Conformity

Justification: DRP 2/2013 requires communication of the outcome of the dispute resolution process, including recommendations or remedial actions. This implies that the recommendations and remedial actions are a part of the dispute resolution outcomes.

8.8 Requirements for PEFC Logo usage licensing

8.8.1 Introduction and summary

PEFC GD 1004:2009 requires that the PEFC authorised body shall have written procedures for the issuance of PEFC Logo licenses and specifies areas that shall be covered by those procedures.

MTCC has presented LG 6/2014 that describes procedures and requirements for the issuance of the PEFC Logo licenses. LG 6/2014 refers to PEFC ST 2001:2008 (PEFC Logo usage rules).

LG 6/2014 includes conditions for the issuance of the PEFC Logo license, responsibilities of the logo user, an application form for the PEFC Logo license as well as a specimen logo usage contract.

LG 6/2013 complies with PEFC GD 1004:2009 except one minor non-conformity:

8.8.2 Detailed assessment

PEFC GD 1004, 4.1b

4.1b [The tasks of the administration of the PEFC scheme...is performed by] PEFC authorised body for the PEFC certifications and PEFC Logo licensing in countries for which they have been authorised by the PEFC Council.

LG 6/2014, ch. 1 states in its introduction chapter that this document is designed to provide the authoritative basis for MTCC in managing the use of the PEFC Logo in Malaysia.

LG 6/2014, ch. 2 refers to the usage of the PEFC logo by Malaysian operations.

LG 6/2014 states that MTCC issues PEFC Logo usage licenses in Malaysia on behalf of the PEFC Council

Compliance: Conformity

Justification: It is assumed that the PEFC Council has authorised by a contract with MTCC for it to perform the PEFC administration tasks (PEFC Logo licensing) in Malaysia. This fact is sufficiently reflected in LG 6/2014.

PEFC GD 1004, 6.1.1

6.1.1 The PEFC Logo usage licence shall be issued to an individual legal entity based on the requirements of PEFC ST 2001:2008.

LG 6/2014 refers to adherence to PEFC ST 2001:2008. The definition of the logo usage groups and conditions for the issuance of the licenses under those groups (ch. 4.1) are compatible with PEFC ST 2001:2008.

LG 6/2014, Appendix C (logo usage contract), Article 3 (i) states that the logo user shall comply with PEFC ST 2001:2008.

Compliance: Conformity

Justification: LG 6/2014 sufficiently covers the PEFC requirement.

PEFC GD 1004, 6.1.2

6.1.2 The PEFC Council and authorised bodies may issue a PEFC Logo usage multi-licence to a holder of a multi-site chain of custody certificate, which covers the whole or a part of the multisite organisation provided that:

- a) the central office and the sites are a part of a single legal entity or
- b) the central office and the sites are a part of a single company with a single management and organisational structure.

LG 6/2014, chapter 5.1.1 (3) allows issuance of a multi-license to a holder of a multi-site chain of custody certificate under conditions that are identical with the PEFC requirement.

Compliance: Conformity

Justification: LG 6/2014 satisfies the PEFC requirement.

PEFC GD 1004, 6.2.1

6.2.1 The licensing body shall have written procedures for the PEFC Logo licensing

LG 6/2014 defines procedures for the issuance of the PEFC Logo licenses.

Compliance: Conformity

Justification: LG 6/2014 satisfies the PEFC requirement.

PEFC GD 1004, 6.2.1

6.2.1a [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the PEFC Logo usage licence is based on a written contract between the licensing body and the PEFC Logo user

LG 6/2014, ch. 5.1.1, 5.1.2 and 5.1.3 require the logo user to sign a logo usage agreement between the logo user and the MTCC that is presented in Appendix C to LG 6/2014.

Compliance: Conformity

Justification: LG 6/2014 sufficiently covers the PEFC requirement.

6.2.1b [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the PEFC logo user complies with the PEFC Logo usage rules (PEFC ST 2001:2008)

LG 6/2014, Appendix C (logo usage contract), Article 3 (i) states that the logo user shall comply with PEFC ST 2001:2008.

Compliance: Conformity

Justification: LG 6/2014 sufficiently covers the PEFC requirement.

6.2.1c [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the scope of the PEFC Logo usage (logo usage groups) is clearly defined

LG 6/2014, ch. 4.1 states that MTCC issues PEFC Logo usage licenses in Malaysia on behalf of the PEFC Council to the three user groups (A, B, C) that are compatible with PEFC ST 2001:2008.

LG 6/2014, Appendix C (logo usage contract), Recital 3 identifies the respective logo usage group to which the logo user belongs.

Compliance: Conformity

Justification: LG 6/2014 sufficiently covers the PEFC requirement.

6.2.1d [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the PEFC Logo usage licence can be terminated by the licensing body in the case of the PEFC Logo user's non adherence to the conditions of the PEFC logo usage rules (PEFC ST 2001:2008) or in the case of cancellation of the contract between the PEFC Council and the authorised body

LG 6/2014, ch. 5.1.4 states that MTCC reserves the right to suspend the logo usage license if the Logo User is suspected of misusing the logo or not complying with all the rules and requirements of the MTCS.

LG 6/2014, Appendix C (logo usage contract), Article 6(i) states that withdrawal of the license granted by PEFC to MTCC will result in automatic withdrawal of the license(s) issued by MTCC for use of the PEFC Logo.

LG 6/2014, Appendix C (logo usage contract), Article 6(iii, v, and vi) allow MTCC to suspend or terminate the logo usage license in case of contravention of the PEFC logo usage rules or conditions for the issuance of the license (certification).

Compliance: Conformity

Justification: LG 6/2014 complies with the PEFC requirement.

However, it should be noted that the MTCC's right to issue licenses on behalf of the PEFC Council is not given by "the licence" [PEFC logo usage license] issued to the MTCC by the PEFC Council but by the PEFC Administration Contract signed between the PEFC Council and MTCC based on PEFC GD 1004. Therefore the cancellation under Appendix C, Article 6 (i) should correctly refer to the PEFC Administration contract rather than to "the licence".

6.2.1e [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: where unauthorised use has taken place, the PEFC Logo usage licence provides for contractual penalty of one fifth of the market value of the products to which the unauthorised logo use relates, unless the PEFC Logo user proves that such unauthorised use was unintentional. In the latter case, the penalty will be limited to 15,000 CHF.

LG 6/2014, Appendix C (logo usage contract), Article 5(iii) allows the MTCC to issue penalties to:

- a) logo user group B (with a forest management certificate) as defined in the LG 6/2014, the contractual penalty that may apply is one-fifth of the market value of the products to which the unauthorised use relates , unless the Logo User demonstrates that such unauthorised use was unintentional. In the latter case the penalty shall not be more than RM 15,000 (Ringgit Malaysia fifteen thousand).
- b) Logo user group B (with a chain of custody certificate) as defined in the LG 6/2014, the contractual penalty that may apply is one-fifth of the market value of the products to which the unauthorised use relates, unless the Logo User demonstrates that such unauthorised use was unintentional. In the latter case the penalty shall not be more than RM 15,000 (Ringgit Malaysia fifteen thousand).

Compliance: Conformity

Justification: The levels of penalties comply with PEFC GD 1004.

PEFC GD 1004, 6.2.2

6.2.2 The licensing body shall have a mechanism for the investigation and enforcement of the compliance with PEFC Logo usage rules (PEFC ST 2001:2008) and shall take actions, including legal if necessary, to protect the PEFC Logo trademark.

LG 6/2014, ch. 6.3 states that PEFC Logo usage is subject to monitoring carried out by accredited certification bodies, MTCC and its appointed agents.

LG 6/2014, Appendix C (logo usage contract), Article 7(ii, iii and iv) requires the logo users to report to the MTCC on the PEFC logo usage.

Compliance: Conformity

Justification: LG 6/2014 satisfies the PEFC requirement.

8.9 Requirements for PEFC Notification of certification bodies

8.9.1 Introduction and summary

PEFC GD 1004:2009, chapter 5 requires that the notifying body (in this case MTCC) shall have procedures for the issuance of PEFC notification and lists areas that shall be covered by those procedures.

MTCS defines the requirements and procedures for notification of certification bodies in NCB 5/2014 that includes conditions for the notification, obligations of the notified certification bodies as well as a specimen notification contracts for forest management certification (Appendix II) and chain of custody certification (Appendix III).

NCB 5/2014 **complies** with the PEFC GD 1004 requirements for the PEFC notification.

8.9.2 Detailed assessment

PEFC GD 1004, 4.1b

4.1b [The tasks of the administration of the PEFC scheme...is performed by] PEFC authorised body for the PEFC certifications and PEFC Logo licensing in countries for which they have been authorised by the PEFC Council.

NCB 5/2014, ch. 1, Objectives states that "This procedure describes the requirements for PEFC notification of certification bodies operating forest management system and/or chain of custody certification under the Malaysian Timber Certification Scheme (MTCS) in Malaysia."

Compliance: Conformity

Justification: It is assumed that the PEFC Council has authorised, by a contract, the MTCC to perform the PEFC administration tasks (PEFC notification) in Malaysia. This fact is sufficiently reflected in NCB 5/2014.

PEFC GD 1004, 5.1

5.1 The notifying body shall have written procedures for the PEFC notification.

NCB 5/2014 includes requirements and procedures for the issuance of the PEFC notification for certification bodies for forest management and chain of custody certification.

Compliance: Conformity

Justification: NCB 5/2014 sufficiently covers the PEFC requirement.

PEFC GD 1004, 5.1

5.1a [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notified certification body is meeting the PEFC Council's and PEFC endorsed scheme's requirements for certification bodies.

NCB 5/2014, ch. 3 requires certification bodies to have a valid accreditation that was issued by Standards Malaysia, Malaysia's national accreditation body or by a national accreditation body from another country which is also a member of the International Accreditation Forum (IAF):

- a) For forest management system certification, the accreditation shall be issued against ISO/IEC 17021 (*Conformity assessment – Requirements for bodies providing audit and certification of management systems*) and the scope of the accreditation shall explicitly include the *Malaysian Criteria and Indicators for Forest Management Certification* [MC&I(Natural Forest) and/or MC&I(Forest Plantations)] within Malaysia.
- b) For chain of custody certification:
 - for certification body within Malaysia, have a valid accreditation certificate issued by the Department of Standards Malaysia ("STANDARDS MALAYSIA"), Malaysia's national accreditation body that is signatory of the Multilateral Recognition Arrangement (MLA) for product certification of the International Accreditation Forum (IAF);
 - for certification body outside Malaysia, have a valid accreditation certificate issued by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF or IAF's Regional Accreditation Groups such as European co-operation for Accreditation (EA), Interamerican Accreditation Cooperation (IAAC), Pacific Accreditation Cooperation (PAC) and Southern African Development Community in Accreditation (SADCA);

- the accreditation certificate shall be issued against the ISO/IEC 17065:2012 and the scope of the accreditation shall explicitly include the PEFC ST 2002:2013.

Compliance: Conformity

Justification: NCB 5/2014 satisfies the PEFC requirement.

5.1b [The notifying body shall have written procedures for the PEFC notification which ensure that]: the scope of the PEFC notification, i.e. type of certification (forest management or chain of custody certification), certification standards and the country covered by the notification, is clearly defined

NCB 5/2014, ch. 3 sets different conditions for the PEFC notification for forest management and chain of custody certifications.

NCB 5/2014, ch. 4 defines obligations (limitations) for both forest management and chain of custody certification bodies to carry out the certifications in Malaysia.

NCB 5/2014, ch. 5 requires the certification body to carry out forest management certification against the MTCS forest management standards.

NCB 5/2014, ch. 5 requires the certification body to carry out chain of custody certification against PEFC ST 2002:2013.

NCB 5/2014, ch. Appendix II defines notification contract for forest management certification bodies; Recital allows the notified certification body to issue a forest management certificate to entities registered in Malaysia; Article 2(2) requires the certification to be carried out against the MTCS forest management standards.

NCB 5/2014, ch. Appendix III defines notification contract for chain of custody certification bodies; Recital allows the notified certification body to issue a chain of custody certificate to entities registered in Malaysia; Article 2(2) requires the certification to be carried out against PEFC ST 2002:2013.

Compliance: Conformity

Justification: NCB 5/2014 satisfies the requirement that the scope of the notification shall cover certifications of entities registered in Malaysia, clearly defines the scope of the notification for forest management and chain of custody certification and requires the certification to be carried out against the respective requirements of the MTCS.

5.1c [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notification may be terminated by the notifying body in the case of the certification body's non adherence to the conditions of the PEFC notification or in the case of the cancellation of the contract between the PEFC Council and the authorised body

NCB 5/2014, ch. 6 allows MTCC to suspend and cancel the notification in case of violation of the notification contract.

NCB 5/2014, ch. Appendix II and III, (notification contract), Article 4(2) states that the MTCC may suspend the Notification Agreement with immediate effect if there are reasons to believe that any provision of the PEFC Notification Agreement is not being adhered to.

NCB 5/2014, ch. Appendix II and Appendix III, (notification contract), Article 4(1) MTCC as well as the PEFC Notified Certification Body may terminate the Notification Agreement with three months prior notice by a registered letter.

Compliance: Conformity

Justification: NCB 5/2014 covers the PEFC requirement.

The notification contract does not include an explicit clause that the PEFC notification may be terminated in the case of the cancellation of the contract between the PEFC Council and the authorised body. However, it is assumed that in such a case, the MTCC could apply clause 6(1) of the contract.

5.1d [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notification is based on a written contract between the notifying body and the PEFC notified certification body.

NCB 5/2014 requires contract between the MTCC and the PEFC notified certification body which is shown in Appendix II and III to NCB 5/2014.

Compliance: Conformity

Justification: NCB 5/2014 sufficiently covers the PEFC requirement.

5.1e [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notified certification body provides the notifying body with information on certified entities as required by the PEFC Registration System.

NCB 5/2014, ch. 5 requires that the PEFC notified certification body shall provide MTCC, without undue delay, information on every forest management system and/or chain of custody certificate that the PEFC notified certification body issues to a client organisation covered by the PEFC notification and/or information on any changes to currently issued certificates. The range of data is specified by MTCC.

NCB 5/2014, ch. Appendix II and III (notification contract), Article 2(3) requires the notified certification body to provide MTCC immediately and truthfully with information on the issuance of a forest management system or chain of custody certificate, as the case may be, to an organisation in Malaysia covered by the PEFC notification and/or inform of any changes to already issued certificates within the range of data as specified by MTCC.

Compliance: Conformity

Justification: NCB 5/2014 sufficiently covers the PEFC requirement.

5.1f [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notification does not include any discriminatory measures, such as the certification body's country of origin, affiliation to an association, etc.

NCB 5/2014 does not include requirements that would be deemed as discriminatory

Compliance: Conformity

Justification: NCB 5/2014 satisfies the PEFC requirement.

Annex 1: TJConsulting stakeholders' questionnaire

TJConsulting, Luxembourg

Stakeholders' questionnaire

**Assessment of the Malaysian Timber Certification Scheme
(MTCS) against the requirements of the PEFC Council**

5 November 2013

Background

MTCC (Malaysian Timber Certification Council) revised during 2009 – 2011 the MTCS forest management standard for natural forests, MC&I (Natural Forest) and submitted its application for the scheme/standard endorsement by the PEFC Council.

The PEFC Council has selected TJConsulting to carry out the assessment of the MTCS against the PEFC Council requirements. The scheme assessment also includes consideration of stakeholders' comments and views presented within the international consultation announced by the PEFC Council at its website (www.pefc.org) and **this questionnaire that was directly distributed to stakeholders relevant to sustainable forest management in Malaysia.**

TJConsulting would like to encourage all relevant stakeholders that have been contacted to provide information that will provide an important input necessary for the credible and impartial assessment of the MTCC scheme.

Objective

This questionnaire aims at obtaining and considering stakeholders comments and views relating to the process of revision of MC&I (Natural Forest) during 2009-2011, its openness, transparency, stakeholders participation and consensus building elements.

The questions used in this questionnaire are based on PEFC requirements included in PEFC ST 1001:2010 (Standard setting procedures – Requirements).

The questionnaire shall be returned to TJConsulting (tymrak@tj-consult.com) by **29 November 2013**. In case of additional time needed, please contact Mr Tymrak directly.

Questionnaire

1. Did you have access to the MTCC's standard setting procedures?²⁰

Yes No

Note: Yes

2. Have you noticed a public announcement made by MTCC relating to the start of the standard setting/revision process?

Yes No
 at the PEFC Swiss website
 by a PEFC press release
 at public magazine and media
 by direct mailing

Note: by direct mailing

3. Have you been invited to nominate your representative to the MTCC's Standard Review Committee (SRC) responsible for the revision of the standard(s) and consensus building?²¹

Yes No
 by general invitation at the website, in media, etc.
 by direct mailing or other communication
 We have made a nomination that was
 accepted by MTCC
 rejected by MTCC

Note: No

4. Have you noticed the public consultation on a draft forest management standard organised by MTCC?

Yes No
 at the MTCC website
 by a MTCC press release
 at public magazine and media
 by direct mailing

Note: by direct mailing

²⁰ A written document containing organisation and procedures of the standard setting/revision process.

²¹ PEFC requires that the standardisation body shall establish a working group/committee with responsibilities for the development of a standard(s) and consensus building that is (i) accessible to stakeholders; (ii) has balance representation of stakeholders decision making and (iii) includes stakeholders with expertise in the subject matter and materially affected stakeholders (PEFC ST 1001:2010, 4.4).

5. Have you made comments during the public consultation and have they been considered?

Yes, we have submitted comments No, we have not submitted comments

Our comments:

- were considered
- were not considered

Note: we have not submitted comments

6. Have you submitted to MTCC any complaint relating to the standard setting/revision process?

Yes No

Note: Click here to enter text.

For those stakeholders that had their representative in the MTCC's Standard Review Committee (SRC)

7. Has the work of SRC been organised in an open and transparent way?²²

Yes No

Note: Yes

8. Has consensus been reached on the content of the standard(s) within the MTCC's SRC?

Yes No

Note: Yes

²² PEFC Council requires that members of the working group/committee responsible for the development of a standard(s) shall have access to draft documents in a timely manner; shall be given opportunity to participate in its work and submit their comments; their comments shall be considered in a transparent way.

Annex 2: Composition of the MTCS's Standards Review Committee

Standards Review Committee

Region	Stakeholder Group	Member	Alternate Member
Sabah	Social (Indigenous Peoples)	Dr. Benedict Tapin Kadazandusun Cultural Association	Native Chief Saniban Bin Amphila United Sabah Dusun Association
	Social (Workers' Union)	Jevry Bin Anggah Sabah Timber Industry Employees Union	Apolinario Z. Tolentino Jr. Building and Wood Workers' International Asia-Pacific
	Environmental	Omar Abdul Kadir Malaysian Nature Society (Sabah Branch)	Gary Yap Sabah Environmental Protection Association
	Economic	Raymund Tan Get Seng Timber Association of Sabah	Stephen Chaw Sabah Timber Industries Association
	Relevant Government Agencies	Pilis Malim Sabah Forestry Department	Linda Edward Giyung Sabah Forestry Department
Sarawak	Social (Indigenous Peoples)	Assoc. Prof. Dr. Ramy Bulan Rurum Kelabit Sarawak	Elbson Marajan Pengiran Sarawak Dayak National Union
	Social (Workers' Union)	Mohamad Ali Yacob Sarawak Forestry Department Employees Union	Mohamad Jefrie Abdullah Timber Industry Employees Union Sarawak
	Environmental	Dr. Melvin Gunal Wildlife Conservation Society (Malaysia Program)	Rebecca D' Cruz Malaysian Nature Society (Kuching Branch)
	Economic	Dato Henry Lau Sarawak Timber Association	Henry Kong Sarawak Timber Association
	Relevant Government Agencies	Hauden Mohamad / Ahmad Ashrin Mohd Bohari Sarawak Forest Department	Zolkigli Mohamad Aton Sarawak Forestry Corporation
Peninsular Malaysia	Social (Indigenous Peoples)	Dato' Sulki Mee Persatuan Kebudayaan dan Kesenian Orang Asli Perak (Perak Orang Asli Cultural and Arts Association)	-
	Social (Workers' Union)	Mohd Khalid Atan Timber Employees Union Peninsular Malaysia	Datuk Haji Jamaluddin Mohd. Isa Malay Forest Officers Union, West Malaysia
	Environmental	Kanitha Krishnapillay / Yeap Chin Aik Malaysian Nature Society	Jayashree Kanniah WWF-Malaysia
	Economic	Siti Syaliza Mustapha Malaysian Timber Council	Goh Chee Yew Bakti Malaysia Sdn. Bhd
	Relevant Government Agencies	Lim Kee Leng Forestry Department Peninsular Malaysia	Dr. Ismail Harun Forest Research Institute Malaysia

Annex 3: Consideration of comments received during the PEFC Council's public consultation

Introduction

PEFC GD 1007:2012 requires the PEFC Council to organise a public consultation on a forest certification schemes that was submitted for the PEFC endorsement and re-endorsement.

The PEFC Council received comments from:

- a) the Netherlands centre for Indigenous People (NCIV) and
- b) Timber Procurement Assessment Committee (TPAC).

As the comments and documentation submitted by NCIV already includes the TPAC comments, they are considered together based on the respective material issues.

The submitted comments are not primarily referring to the compliance of the MTCS scheme with the PEFC Council's requirements but were originally prepared for the purposes of the MTCS recognition by the Dutch Timber Procurement Policy (TPAC).

Therefore, each of the comment was considered as whether or not it:

- a) is relevant to the PEFC Council's requirements;
- b) is relevant to the MTCS scheme's compliance with the PEFC requirements.

NCIV, TPAC comment	TJConsulting response
Indigenous peoples rights	
NCIV comment: There is no evidence that demonstrates that the Netherlands - Malaysia agreement has led to MTCC's explicit recognition of indigenous peoples' (Orang Asli) rights and claims over forestland and forest products, including their right to exercise free, prior and informed consent (FPIC) in forestry operations. In MTCC's narrow interpretation, FPIC applies only to formally or duly recognized customary (use) rights of Orang Asli. We estimate that over half of all forest reserves in Peninsular Malaysia may be subject to Orang Asli customary rights claims, but only a minute portion (0.37%) of this carries official recognition. The recently leaked Suhakam land rights inquiry report presents an unavoidable and damning perspective on the absence of government and industry recognition of indigenous peoples' rights.	<ul style="list-style-type: none">1. PEFC Council (PEFC ST 1003:2010, 5.6.4) requires that forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights, such as outlined in the ILO 169 and the UN Declaration of the Rights of Indigenous Peoples (UNDRIP), which shall not be infringed upon without the free, prior and informed consent of the holders of the rights. The PEFC Council has clarified²³ that "the reference to UNDRIP in PEFC ST 1003, 5.6.4 shall be interpreted as an example (wording "such as"). So with regard to the framework of legal, customary and traditional rights relevant for the certification scheme (the fm operations on the ground) the scheme shall be in compliance with purpose and spirit of documents listed after "such us"."2. MC&I (Natural Forest) defines requirements for the indigenous peoples' rights under Principles 2 and 3, including recognition of indigenous people's customary rights, FPIC, consultation and conflicts resolution. MC&I (Natural Forest) also lists UNDRIP amongst verifiers and it
TPAC Memo on the MTCC (26 August 2013): The TPAC assessment argues that the requirements of MC&I (Natural Forest) are made conditional on the indigenous peoples' legal ownership of the land.	

²³ E-mail from Mr Berger (PEFC Council's Head of Technical Unit) of 27 May 2014.

	<p>should be noted that the UNDRIP itself would sufficiently satisfy the respective PEFC requirement.</p> <p>3. MC&I (Natural Forest) requirements relating to the recognition of indigenous peoples rights are limited by the wording “within the federal, state and local laws” allowing different interpretation of the MTCS requirements.</p> <p>It should however be noted that this wording does not ultimately imply that indigenous peoples would need to have a “legal ownership” in order to have their rights recognised and protected under the MTCS standard as argued by TPAC.</p> <p>4. The comments were considered in the assessment of PEFC ST 1003 requirement 5.6.4.</p> <p>The Guidance to MC&I (Natural Forests) provides interpretation to “<u>within the relevant federal, state and local laws</u>” relating to indigenous peoples rights. The interpretation clarifies that the recognition of indigenous peoples rights is not limited to those protected by legislation and requires consultation with indigenous peoples in spirit of UNDRIP.</p>
<p>From the letter of the Indigenous Peoples Network of Malaysia (JOAS) to members of the Dutch Parliament (8 October 2013):</p> <p>MTCC does not recognize nor protect indigenous peoples rights over traditional lands. This is confirmed in the recently published report of the national inquiry into the land rights of indigenous peoples by the Malaysian Human Rights Commission SUHAKAM: “Although all states testified that they applied the Malaysian Timber Certification Council’s Criteria and Indicators (MC&I) for all their logging concessions, Orang Asli complainants asserted that the loggers and the Forestry Department did not seek their consent when entering their customary lands, which is contrary to the requirements of the MC&I.” (P 8.102 of the SUHAKAM report).</p>	<p>1. The compliance of a management unit with the MC&I (Natural Forest) standard is not covered by the scope of the PEFC endorsement process. In case of non-compliance of a certified entity with the MC&I (Natural Forest) standard, a complaint should be submitted to the respective certified entity or the certification body. If the complaint resolution is not satisfactory, the complaint should be sent to the relevant accreditation body, MTCC and the PEFC Council.</p>
<p>From the letter of the Indigenous Peoples Network of Malaysia (JOAS) to members of the Dutch Parliament (8 October 2013):</p> <p>“Logging in MTCS certified permanent forests continues to cause many problems for indigenous peoples. It degrades the environment, pollutes the air and the rivers, devastates our livelihoods, threatens our health, causes landslides and mudslides that destroy lives and property, and may force</p>	<p>1. The comment is not specific enough. The MC&I (Natural Forest) standard includes numerous requirements to protect environment, soil and water, and improve living conditions of local communities.</p> <p>2. Any on-the-ground non-compliances with the MC&I (Natural Forest) standard should be resolved within the certified entity’s,</p>

<p>involuntary resettlement on us, and restrict access to our forest, and generally oppress us."</p>	<p>certification body's, accreditation body's or MTCC's dispute resolution procedures.</p>
<p>From the letter of the Indigenous Peoples Network of Malaysia (JOAS) to members of the Dutch Parliament (8 October 2013):</p> <p>"The most important impact that logging has on the Orang Asal is the loss of our rights over our traditional lands. In reality, outsiders are invariably given logging rights to our lands without our free prior informed consent."</p> <p>"The new guidance document entitled Interpretation of the Term 'Free and Informed Consent', in the MC&I (2002)", which was issued by MTCC on 16 February 2011, following the agreements between MTCC and the Dutch government, does not redress several fundamental shortcomings. In fact, Paragraph 2.2 of this guideline formalizes the fact that MTCC does not recognize indigenous peoples' native customary rights, but restricts recognition to 'legally defined' rights of indigenous peoples.</p> <p>This is a very serious issue for us as the majority of the customary lands of the Orang Asal are not recognized by the government 'legally', even though the courts have directed that such lands be so recognized. Even in cases where the government has acknowledged the rights of indigenous peoples to their customary lands, that right is not afforded legal status.</p> <p>For example, only about 15 per cent of the officially-recognised lands of the Orang Asli of Peninsular Malaysia have actually been formally gazetted as Orang Asli Reserves. Even so, gazetting these lands as Orang Asli reserves does not provide the Orang Asli any legal security to their customary tenure.</p> <p>MTCC is in conflict with the UN Declaration</p> <p>This restricted interpretation of the rights of indigenous peoples is clearly in breach of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which provides, <i>inter alia</i>:</p> <p>Article 26</p> <p>1. Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired.</p> <p>2. Indigenous peoples have the right to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional</p>	<p>1. See also responses to the NICV comments above.</p> <p>2. The comments on the coverage of the indigenous peoples' rights were considered in the assessment of PEFC ST 1003, 5.6.4.</p>

<p>occupation or use, as well as those which they have otherwise acquired.</p> <p>3. States shall give legal recognition and protection to these lands, territories and resources. Such recognition shall be conducted with due respect to the customs, traditions and land tenure systems of the indigenous peoples concerned."</p>	
Forest conversion	
<p>The manner in which the agreement and MTCC have addressed the problem of forest conversion of certified forests is entirely against the Dutch Procurement Criteria for Timber. Under the new MTCS standard, forest conversion will now be allowed. The caps on conversion rates can easily be circumvented and are thus ineffective. Worse still, stakeholders have now lost all leverage within MTCS to challenge forest conversion decisions. The natural forest area will continue to decline while its management is illogically marketed as "sustainable". There are many cases of forest conversion in certified reserves that certification bodies fail to report on.</p>	<ol style="list-style-type: none"> 1. PEFC ST 1003, 5.1.11 recognises justified circumstances under which conversion of forest is possible. Amongst those conditions is also consideration of ecological and social values of such an forest and scale (size) of the conversion. 2. The MC&I requirements for conversion recognises justified circumstances that allow for forest conversion, including prohibition of any conversion in HCVFs. The size limitation is defined by annual percentage of the forest area that can be converted. MC&I (Natural Forest) sets up the maximum size of forest conversion as 5 % over seven years. The interpretation to the standard clarifies that 5 % represents the maximum cap including the period after the seven years period. 3. The comment was considered in the assessment of PEFC ST 1003 requirement 5.1.11.
<p>Hundreds of hectares of Permanent Forest Estates (PFEs) in the Kelantan Forest Management Unit are being logged daily, not on the basis of sustainable logging, but for total conversion of forest reserves to mono-crop agriculture (especially rubber and oil palm). This is especially so in the Gua Musang district which is the homeland of the more than 40 Temiar-Orang Asli indigenous communities. Furthermore, in the Permanent Forest Reserve close to the Temiar village of Kelaik in Pos Brooke, which is also part of the Kelantan FMU, there is an ongoing iron mine which has been operating since 2009. Not only have vast tracts of forest being permanently destroyed, a recent dam-collapse of the siltation traps have cause massive environmental damage, especially to the main river, up to 30 kilometres downstream.</p>	<ol style="list-style-type: none"> 1. See the response above 2. The MC&I (Natural Forest) limits the scale of the conversion by annual allowed percentage of conversion from the total forest management unit area. Also the definition of HCVFs covers areas with social significance for local populations. 3. The MC&I (Natural Forest), 6.1.2 requires the Environmental Impact Assessment, including potential impacts on endangered, rare and threatened species of flora and fauna. C6.1 requires safeguards to protect rare, threatened and endangered species and their habitats. 4. The scale issue of the conversion was taken into consideration in the assessment of the PEFC ST 1003 requirement 5.1.11. 5. The compliance of the specific presented cases should be dealt within the certified entity's and the certification body's dispute settlement procedures.
<p>In an recent report in Mongabay.com, it is reported that the Bikam Permanent Forest Reserve in Malaysia's Perak state was degazetted in July 2013, allowing the forest to be clearcut for an oil palm plantation. Only</p>	

after the forest was lost, did the Forest Research Institute Malaysia (FRIM) announce that it had contained the last stands of keruing paya (*Dipterocarpus coriaceus*) on the Malay peninsula, a large hardwood tree that's classified as Critically Endangered on the IUCN Red List. The species is now reportedly extinct in Malaysia, although may still be found in Indonesia. However, the degazettement of the 400-hectare Bikam Forest Reserve wasn't an abnormality. Since 2009, over 9,000 hectares of Permanent Forest Reserves have been degazetted in northwestern state, wiping out not just trees, but undercutting protected mammals and birds while threatening watersheds.

Public availability of forest maps

Following the Netherlands – Malaysia agreement, MTCC would request the forest managers to make relevant maps available on their websites. Furthermore, the Netherlands expected that more detailed information would be made available regarding the boundaries of the certified areas and areas traditionally used by the Orang Asli. A review of the maps published by Forest Managers and Certifying bodies after February 2011 shows that no significant improvements have been introduced: maps do not show the actual natural forests certified under the MTCS standard, do not provide information about the Orang Asli and they are usually of technically poor quality.

1. PEFC ST 1003, 5.1.6 requires a summary of forest management plans to be public. PEFC ST 1003 does not include a specific requirement that a map shall be public nor type or detail of the public maps.
2. MC&I (Natural Forest), C7.4 requires that a summary of the forest management plan that includes elements identified in C7.1 shall be made public while respective confidential information. C7.1 includes description of the forest resources, and use and ownership status (b) and maps describing forest resources and ownership (h).
3. MC&I (Natural Forest) exceeds the requirements of the PEFC Council and in general requires the commented areas to be covered by the publicly available forest management plans. Any discrepancies in the implementation of the MC&I (Natural Forest) standard should therefore be dealt within the respective certified entity's or certification body's dispute settlement procedures.

Additional references to TPAC documentation

Memo on the Malaysian Timber Certification Scheme (MTCS), http://www.tpac.smk.nl/Public/TPACmemoMTCS26AUG2013.pdf	The report makes an illustration of the issues already covered in the NCIV comments. See responses above
Binding opinion of the Board of SMK http://www.tpac.smk.nl/Public/TPAC%20Assesments%20results/Decision%20of%20the%20Board%20of%20Appeal%20concerning%20the%20Appeal%20of%20MTCC%20on%20MTC%20S.pdf	The report makes an illustration of the issues already covered in the NCIV comments. See responses above.

<p>SUMMARY of the revised judgement of the Timber Procurement Assessment Committee (TPAC) on the Malaysian Timber Certification System (MTCS) dated 22 October 2010.</p> <p>http://www.tpac.smk.nl/Public/TPAC%20Assesments%20results/Summary%20of%20the%20revised%20TPAC%20Judgement%20on%20MTCS.pdf</p>	<p>The report makes an illustration of the issues already covered in the NCIV comments.</p> <p>In addition, the Report does not take into account the MC&I (Natural Forest), published in 2010.</p> <p>See responses above.</p>
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Comments from WWF (18 December 2013)

<p>The Peninsular Malaysia Forest Department regards all forest reserves in one particular state (in Peninsular Malaysia) as one forest management unit (FMU). Forests are certified using a state-wide approach rather than a forest concession approach. Thus, in many cases, the certification body assesses only one forest concession at any one time during auditing due to time constraints, but the certificate is awarded to the whole FMU whereby other forest concessions which were not audited also get certified.</p>	<ol style="list-style-type: none"> 1. The PEFC Council (Annex 6 of the PEFC Council Technical Document) does not have specific requirements relating to certification of “multi-site organisation”, i.e. organisations whose operation is located on more sites. 2. However, MTCC requires compliance with ISO 17021 and requires accreditation from “Standards Malaysia”, a member of the International Accreditation Body. The IAF document MD 1 defines rules and procedures for certification of “multisite organisations” under ISO 17021 and this document sufficiently covers the commented issue, including sampling of sites, where applied.
<p>Timber plantations established within Permanent Forest Reserves are reported to be audited using the MC&I (Forests Plantations). However, to date, WWF-Malaysia is not aware of any forest plantations that have been certified using this standard.</p>	<ol style="list-style-type: none"> 1. MC&I (Forest Plantation) standard was, based on the PEFC Council’s request withdrawn from the assessment. Therefore the report does not address issues relating to the application of the MC&I (Forest Plantations) standard.
<p>During audit, stakeholders are asked to provide feedback on the FMU being audited. However, information on the FMU being audited is in many cases lacking. In a case where WWF-Malaysia asked for information from the auditing body, we were asked to contact the forest manager directly i.e. the state Forestry Department for information</p>	<ol style="list-style-type: none"> 1. The PEFC Council (Annex 6 of the PEFC Council Technical Document) requires that the certification body shall evaluate information received from third parties. The PEFC Council does not specify what kind of information on the audited client shall be provided to stakeholders. 2. MTCC satisfies the PEFC Council’s requirements.

Annex 4: Panel of Experts review of the assessment report

Report chapter / page	Consultant's report statement	PoE member comment	Consultant's response
General	TJConsulting has recommended that the Malaysian Forest Certification Scheme (MFCS) be re-endorsed under the PEFC's mutual recognition framework and I would wholeheartedly agree with the main elements of the recommendation which has been substantiated by the consultant's report.		
General	The only issue I have is the withdrawal of the MC&I (Plantation) isn't explained in the report with the reasons behind the withdrawal and its impact on the MTCS as a package for forest certification for native forests and plantations.		TJConsulting does not have detailed and official information on reasoning and rational behind the exclusion of the plantation standard.
General	I believe that the use of a qualifier (justifiable) for identified minor non-conformities doesn't abide with the intent of 7.3 in the report. I can fully understand the reasoning behind the consultant's assessment and his use of the term. I would prefer to see them		The classification of non-conformities follows PEFC GD 1007. PEFC GD 1007 is explicit that a minor non-conformity shall be resolved within six months. Therefore, the report established a new category of minor non-conformities that are justifiable based on local conditions and

	<p>reported as minor non-conformities but ones which don't require any corrective action by the scheme based on the reasoning that the consultant provides in the last paragraph of 7.3. This would differentiate them from minor non-conformities which require corrective action by the scheme to fulfil all requirements of re-endorsement by the PEFC.</p>		<p>situation and do not therefore need to be corrected.</p> <p>This approach was verified with the PEFC Council.</p>
General	<p>Whilst the PEFC Board will make any recommendation on the corrective action (CA) for identified non-conformities which require action to ensure the integrity of the MTCC, I believe the 6 months suggested is a proper timeframe for a scheme to resolve its CA.</p>		
General	<p>Overall, I believe the consultant has done an extremely thorough and professional assessment especially based on the special situations which exist for the MTCC and its basis in the tropical zone for forest types.</p>		
General	<p>As with previous assessment's by the consultant, the consultant has taken a very pragmatic approach which provides for flexibility in</p>		

	assessing conformity based on his extensive knowledge of all elements of forest certification and with requisite knowledge to make an assessment of underlying assumptions of documentation, requirements compliance and scheme operation.		
General	The inclusion of the specific requirements from relevant MTCC scheme documents, the firm decision on the conformity status especially in bold to leave no doubt and the reasoning behind that decision through the Justification statement(s) provides for a comprehensive review of each of the PEFC requirements under its international sustainability benchmarks.		
General	I am unsure as to why there was no PEFC Standard and System Requirement Checklist provided with the body of the report. It would appear that the relevant text from scheme documentation is provided in the body text which does not need repetition in the checklist. In past assessments, the checklist allowed for expansive reasoning leading up		The detailed assessment chapters of the main body of the report follow and fully cover the content of the PEFC Standard and System Requirement Checklist. Therefore, adding the Checklist as an Annex to the report would be redundant (Although this could serve as a summary of the main part of the report).

	to the conformity decision and the report provided an oversight of the relevant sections from the checklist.		
General	The consultant's stakeholder questionnaire asks all of the pertinent questions of the standard setting process for the revision of the forest management standard and has been used for past scheme evaluations – see comment on the reference to the Swiss scheme. It is a pity that response rate wasn't more positive		It was noted in the chapter of the report analysing the survey that the results of the survey need to be interpreted taking into account a limited number of respondents. The chapter also provides additional information clarifying or introducing the negative responses.
General	Based on my English as a 1 st language, I have made many suggestions which are editorial in nature for consideration by the consultant to enhance the readability of the report and have provided relevant text which is in bolded text for emphasis. I have shown deleted text in strikethrough .		The editorial comments and suggestions have been incorporated into the report and are not further displayed in detail this table.
General comment	General comment	The report of the consultant is very well structured, clear and comprehensive. The consultant evidently knows and understands the procedures and documentation of the PEFCC. However, in order to improve the readability of the report,	The list of abbreviations is provided in the beginning of the report.

		something should be done with abbreviations! When more than three acronyms appear in one short sentence without any clarifications, the reading of the report becomes nightmare!	
8.1/16	... to comply with PEFC ST 2003:2012. As PEFC ST 2002:2012 has ...	Change year. ... to comply with PEFC ST 2003:2012. As PEFC ST 2003 :2012 has ...	Amended
8.2.1.2/18	... of this assessment, , in particular	Delete one comma	Amended
5.3.6/70	... harvest shall no exceed levels harvest shall not exceed levels ...	Amended
8.6.2.1/92	The scheme requires an accreditation issued by Standards Malaysia, an accreditation body that meets ISO 17011 and is a member of the International Accreditation Forum (IAF).	This sentence gives the impression that accreditation by Standards Malaysia is the only possibility. The requirement in Annex 6 is that the certification body shall be accredited by a national accreditation body which is a member of IAF or a member of IAF's special regional groups.	Annex 6 of the PEFC Council TD is considered as a meta-standard, i.e. the schemes are allowed and expected to develop detailed or more restrictive requirements. The requirement that the accreditation for the MTCC's forest management certification is carried out exclusively by the Standards Malaysia is complying with the PEFC Council's requirement.
8.6.2.2Annex 6 of the PEFC TD, 5 /98 (In 2 frames)	The scheme requires an accreditation issued by Standards Malaysia, an accreditation body that meets ISO 17011 and is a member of the International Accreditation Forum (IAF).	This sentence gives the impression that accreditation by Standards Malaysia is the only possibility. The requirement in Annex 6 is that the certification body shall be accredited by a national accreditation body which is a member of IAF or a	

		member of IAF's special regional groups.	
8.9.2 PEFC GD 1004, 5.1/ 108	NCB 4/2014, ch. 3 requires certification bodies to have a valid accreditation that was issued by Standards Malaysia, Malaysia's national accreditation body or by a national accreditation body from another country which is also a member of the International Accreditation Forum (IAF):	This part of NCB 4 open up for accreditation of other national accreditation bodies. I suggest that the text in the examples above on pages 92 and 98 will be changed in line with this.	This part of the scheme documentation refers to the chain of custody certification. PEFC ST 2002 and especially PEFC ST 2003 are not considered as "metastandards" but as "international standards". Therefore, the schemes shall fully comply with them and more restrictive requirements (for example by restricting the accreditation to one accreditation body only) would be considered as discriminatory.
p. 1	"Assessment of the MTCC forest certification scheme against the requirements of the PEFC Council" – the title	Or: "Assessment of the revised MTCC forest certification scheme against the requirements of the PEFC Council" Somehow I feel necessary to differentiate the already existing, endorsed scheme and the present revised scheme	Page 1 only includes a title of the report and for that purpose a shorter wording has been chosen. The detail is then given in the Scope chapter and in the Introduction chapter. It also provides information that the assessed MTCS forest management standard has already been endorsed by the PEFC Council.
p. 2	Table of contents	There are some chapters not included in the list "content": for example: 8.4.1.1. and 8.4.1.2.; 8.6.2.1. and 8.6.2.2	Amended
1. p. 4		Should there be an explanation of the fact that part of the forest	The decision of the exclusion of a part of the scheme from the scope of the

		management standard (for plantations) has been excluded from the assessment and a comment why?	assessment was made by the PEFC Council. TJConsulting does not have detailed information relating to the reason and rational for the exclusion.
1. p. 4		Should there be some more information on the background, i.e. history of the MTCC scheme and its endorsement by PEFC?	Amended
2. p. 4	The objective of this assessment is to: a)Identify conformities and non-conformities of the MTCC scheme with ... b)Provide...with recommendation on the re-endorsement of the MTCC scheme	or: the revised MTCC scheme (?)	The term “revised” can be misleading as the assessed forest management standard was already endorsed by the PEFC Council. To ensure accuracy the text was changed to “submitted MTCS documentation”.
4. p. 5	TJConsulting recommends the PEFC Council's Board of Directors that it recommends to the PEFC Council General Assembly re-endorsement of the MTCC scheme documentation covered by this assessment provided that (in compliance with PEFC GD 1007:2012, chapter 7.2.2.4.1.2):...	The recommendation of the assessor should clearly state the content of the recommendation – in this case the content is partly hidden in the footnote. There is no explanation in the report, why the MTCC forest management standard for plantation forests (MC&I – Plantation Forests) has been withdrawn from this assessment. - Otherwise the recommendation as such is clear, understandable and justifiable.	TJConsulting has not detailed information on reasoning and rational behind the exclusion of one of the standards from the assessment. The recommendation is clear that it only covers the MTCS documentation covered by the scope of the assessment.

5. p. 6	<p>During this assessment, MTCC has decided to resolve non-conformities identified in an interim report by revising its standard setting procedures and submitted a revised document (SSP 3/2014) that complies with the PEFC Council requirements of PEFC ST 1001.</p> <p>The standard setting (revision) process carried out during 2009 - 2012 was ...</p>	<p>or : in the interim report of the consultant</p> <p>or: The standard setting process of the revised MTCC scheme carried out...</p>	Amended
6. pp. 9-12	Chapter 6	<p>List of referenced documents and used abbreviations should be in the beginning and before the report text</p> <p>- abbreviations and acronyms of documentation have been used already in the executive summary.(i.e. SRC, MTCC, MTCS, GFMC on p. 6, FPIC; UNDIPR on p. 7)</p>	
7.1. p. 13	<p>Following the e-mail from the PEFC Council of 1 November 2013, the MTCC standard for plantation forests has been excluded from the assessment and is not therefore covered by this report.</p>	<p>This is a very mysterious comment and raises more questions than it serves as an explanation!</p>	<p>The comment is rational and correct.</p> <p>The purpose of having the Chapter Recommendation and Executive Summary in the front of the report was to direct the reader and the PEFC Council's decision making bodies to the most important parts of the report in its very beginning.</p> <p>It is assumed that the reader will deduce from the content of the report</p>

			where the referenced documentation and abbreviations are placed.
8.4.1.1 p. 53	The PEFC Council decided in the due course of the assessment that MC&I (Plantation Forest) is withdrawn from the scope of the assessment.	Why? No explanation. It would be valuable to know!	TJConsulting does not have detailed and official information on reasoning and rational of the exclusion of the part of the MTCS.
7.3. p. 14	Classification of non-conformities	or: Classification of scheme conformities? Should the list of the three types of decisions be vice versa: first – Conformity, second – minor non-conformity, third – major non...	The comment is correct and rational. However, TJConsulting wants to use the terminology as well as order defined in PEFC GD 1007. It is also assumed that the definition of the term “conformity” is not necessary within the context of the report.
8.1. p. 16	See the assessment of the standard setting procedures (ch. 8.1) and group forest management certification (ch. 8.2 of this report).	should be 8.2 and 8.3	Amended
8.2.1.1 p. 17	ii) SSP 2/2012 reflected the new PEFC Council requirements of PEFC ST 1001:2010 and would already resolve possible non-conformities in the 2009 procedures;	The document SSP 2 /2012 is not listed in the list of documents in para 6.	Amended
8.2.1.1. p. 17	The assessment results are based on SSP 3/2014 although those procedures were not available during the revision	I find this reasoning difficult to advocate. However, difficult to find other solutions, either.	Wording amended

	<p>process itself (2009-2011) and were not governing the respective standard setting process. The decision to base the assessment on this document was mainly based on the fact that:</p> <ul style="list-style-type: none"> i) The requirements of PEFC ST 1001:2010 were not available to MTCC at the time of the start of the standard setting process (2009); ii) SSP 2/2012 reflected the new PEFC Council requirements of PEFC ST 1001:2010 and would already resolve possible non-conformities in the 2009 procedures; iii) SSP 3/2014 implemented changes to resolve non-conformities identified in an interim report of this assessment. 		
8.2.1.1. p. 17 and 8.3.1 p. 48	this fact has not been considered and reported as a non-conformity , this arrangement is not in line with the spirit of the PEFC Council's documentation	I fully understand that the consultant knows well “the spirit of...”, but I suppose most people, including me, do not. – Some further guidance needed?	<p>The “spirit” of the PEFC documentation is described in the following sentences and especially in the footnote.</p> <p>The wording has been slightly amended.</p>
PEFC ST 1001, 4.5 a,	TJConsulting has received information through the TJConsulting’s questionnaire sent	Are there any reasons, why MTCC claims no complaints and why formal procedures were not used?	Those were not submitted as “formal complaint”. For example, one organisation “complained” that it was not invited to comment. MTCC

b, c, process p. 31-32	to the stakeholders, see chapter 8.2.2) from two stakeholders that indicated that they have complained. Those concerns were resolved outside the MTCC's formal dispute settlement procedures.		responded immediately by adding the organisation to the stakeholders' list. So, the MTCC didn't need to open a formal process of resolving the "complaint".
8.2.3 pp. 25-47	Detailed assessment	The consultant has made brilliant work in the "justification" column! ☺	
8.4.1.2 pp. 55-89	Detailed assessment	This chapter has been prepared very carefully and professionally – especially the "justification" column is solid ☺	
8.8.1 p. 103	It should be noted that this requirement for the penalty nature is administrative in nature and does not have an impact on the credibility of the scheme itself. However, this is an explicit requirement of PEFC GD 1004 and any exemptions from this requirement shall be provided by the PEFC Council.	It depends on the amount of the difference between these penalties. If it were 50\$ instead of 50 000\$ it does have an impact on credibility.	The comment is correct and rational and the text has been amended by adding word "significant" [impact]. The level of the penalty does not change the level of the PEFC trademark protection as this is primarily ensured by the licence contract. However, it is assumed that the level of the fee could have importance in preventing the logo misuse.
1 Background 1 st sentence	If MTCC used for the 1 st time it should be in full followed by the abbreviation		Amended

4 Recommendation	Footnote 1 – what date in the process was it withdrawn?	The document was withdrawn in stage 1 of the assessment. For the results of the assessment and the understanding of the recommendation the date does not seem to be important. However, text was amended to indicate that this withdrawal was done during the assessment.
4 Recommendation ii)	The relevant PEFC document should be identified in relation to 'exemption from the requirement'	The recommendation was rewritten.
5 Executive Summary Standard setting 2 nd paragraph, 1)	If the SRC records include consideration of comments and there is evidence that the FM standard changed between the draft and final, it is a means to provide public confidence that the comments were appropriately considered and acted on by the SRC	The minor non-conformity does relate to the fact that the results of the comments consideration were not made public.
Sustainable forest management standard 1 st paragraph, 2)	FPIC and UNDRIP (this is correct abbreviation for full titl of the Declaration)have been used for the first time, so should be in full with abbreviation following	Amended
2 nd paragraph	If have numbered the justifiable non-conformity in the standard setting, why not have them numbered here? Also, I don't understand what 'forest lightening' is in the context of the MTCS?	Amended The term "forest lightening" in PEFC ST 1003 refers to the usage of fires as the management technique.

Requirements for PEFC logo licensing 2nd paragraph	<p>Does a PEFC GD have the same weight as a PEFC ST?</p> <p>A PEFC GD, to my way of thinking, provides guidance and a national scheme may interpret the requirement and utilise a requirement which has a similar outcome as required by the PEFC i.e. there is a penalty which is the outcome sought by the PEFC and the detail of the amount is subject to national conditions</p>	<p>PEFC GD 1004 is a mandatory document and the PEFC Council decided to be covered by the scope of the assessment.</p> <p>PEFC GD 1004 is explicit on the level of penalties included in national procedures for PEFC logo licensing.</p>
Requirements for forest management certification bodies and Sustainable forest management standard	<p>Use of 'sufficiently' – seems to indicate a degree of hesitancy compared to the straight 'complies'; is there a need for this qualification?</p>	<p>The term "sufficiently" indicates that in the assessors professional opinion the scheme's documentation meets the requirement.</p>
6 Referenced documentation	<p>For the 'Clarification: Assessment report (31 October 2012)' – need further explanation in a footnote</p> <p>For 'documentation submitted by MTCC on 10 January 2014' – need the context explained as has been done for the 2 dot points above it</p> <p>[11] – is there no invitation letter as for [4] & [5]?</p> <p>[17] & [29] – would clarify as 'consultant's' or 'TJConsulting' in relation to the interim report</p> <p>[24] – Is this the title of the Act? If so, convention is usually to have in italics But if National is really Malaysia, it should be 'Malaysia's Forestry Act 1984'</p> <p>[31] & [33] – to whom does this belong to?</p> <p>[30] – what number is [11] if it follows [6] & [7]?</p>	<p>Clarification: Assessment Report (31 October 2012) is a formal PEFC Council document clarifying the content of the assessment report. The identification of the document seems to be sufficient.</p> <p>Documentation (10 January 2014): amended</p> <p>[11] The assessment has not verified all the records kept by MTCC but has chosen a sample of SRC meetings for which it requested records and documentation (the purpose was not to assess the content of the records but the fact that they exist).</p>

		[17], [29] amended [24] the title is “National Forestry Act” [31], [33] MTCC submitted excerpts of Forestry Manual, 2003 translated into English [30] comment not clear
Abbreviations	Could add in – PEFC GD, PEFC ST, MC&I	Those are not abbreviations but identifications of specific documents
8.1 3 rd paragraph	Is this table from the MTCC web site? If so, the paragraph should end with ‘... documents <u>as listed in the table below.</u> ’	The table is not from the website. However, the website uses three categories for the MTCC’s documentation based on which the table was created.
Observations b) 1 st / 2 nd sentences	The first sentence ends in PEFC ST 2003:2012 but the second sentence is PEFC ST 2002:2012 – should the second reference be 2003?	amended
8.2.1.1 Standard setting procedures, 2 nd paragraph ii) Last paragraph	What governed the process in the absence of this document? Assumes an SSP 1/XXXX which was available at the start of the process? Must have had procedure(s) in place prior to process to ensure conformity with requirements. This statement is correct but I’m concerned about procedures during the process from 2009 to 2011.	MTCC had written standard setting procedures in the beginning of the revision process (2009). However, the assessment was focused the latest standard setting procedures rather than procedures applicable at the time of the revision for the reasons specified in chapter 8.2.1.1 of the report.
8.2.1.2	BUT the Technical Document was in place – correct?	The PEFC Council Technical Document was of course available.

Applicability of the PEFC Council requirement 1 st paragraph		However, the assessment was carried out based on PEFC Council requirements of 2010. For that purpose, the report clearly identifies not apparent non-conformities that the PEFC Council requirements were not available at that time of the process.
8.2.1.2 3 rd dot point 4 th dot point 5 th dot point, (ii) Paragraph under (i), (ii) & (iii) 6 th dot point	<p>Would include a footnote to the Malaysian regions to indicate Peninsular, Sarawak and Sabah</p> <p>In what fields of expertise for the Panel of Experts?</p> <p>Would use a footnote to indicate that this version of the FM standard known as MC&I (Natural Forest) and it replaced MC&I (2002) in the revision process – so as to avoid any doubt</p> <p>Would link these cities to the Malaysian region e.g. Kuching (Sabawak)</p> <p>‘... December 2012.’ – or was it 2011?</p>	amended
8.2.1.2 1 st paragraph Last paragraph, (i)	<p>What is the PEFC's policy on quoting its standards – is PEFC ST 1001 OK or should it be the full title including the year to avoid any doubt?</p> <p>Need to indicate the time period to allow alignment with the two year gap</p>	<p>The precise identification of the documents used in the assessment is made in chapter: Referenced documentation.</p> <p>Therefore, the identification of PEFC ST 1001 in the body of the report is sufficient (similarly to the usage of ISO 17021 – ISO IEC 17021:2011).</p>

8.2.2 Stakeholders interview	<p>Would round off any figures to whole figures in deference to the numbers who responded</p> <p>There is an issue with the tense in this section – the ‘has’ in most cases should be ‘had’ as this is reporting on past history or already completed processes hence past tense</p> <p>Open and Transparent work of the SRC and consensus reached by the SRC – the last sentence has an issue with numbers, if one stakeholder its ‘this’ but if more than one stakeholders its ‘these’</p>	amended
8.2.3 Detailed assessment	The footnote text needs to be more prominently displayed and should be normal text under this heading	The footnote provides sufficient explanation to the reporting format.
8.2.3 Detailed assessment 4.1 a), 1 st paragraph Justification 4.1 b)	<p>The ‘working group/committee’ – is it a technical committee (See 4.2c)? If so, term should be used consistently in report e.g. 4.1 c); 4.1 e)</p> <p>The term ‘does not’ appears at odds with Ch 4.5 if the consensus is on a standard</p> <p>Who is required to keep records?</p>	<p>Amended</p> <p>The requirement applies to the “standardisation body”</p>
4.4 a Process 2 nd paragraph	<p>‘... were not known ...’ – is it not available and not in force?</p> <p>‘... MTCC would fully comply ...’ – I believe this is missing from a lot of the process i.e. the PEFC Technical Document may have been the relevant PEFC benchmark</p>	<p>The term “where not known” means that in 2009 the requirements have yet been developed.</p> <p>The assessment was carried out against PEFC ST 1001:2010. The wording provides context of the situation under which the revision of the MTCC documentation was done.</p>

4.5 Process	<p>Checklist – is this referenced in Chapter 6?</p> <p>There is no indication of a Compliance: decision by the consultant</p> <p>Similarly for 4.5 a), b) & c) for a Compliance: decision</p>	<p>The Checklist is referenced in chapter 6</p> <p>Amended</p>
5.3 Process 2 nd paragraph	There seems to be some text missing for the paragraph to make sense.	Amended
5.6a Process 4 th paragraph	Last sentence – do you mean a reminder for the close of the public consultation?	MTCC published a press release/news reminding stakeholders about the on-going public consultation.
5.6c Procedures	What does 'VL 004' mean in terms of MTCC documentation? I assume it should be SSP 3/2014 & maybe not a reference to another PEFC scheme?	Amended
6.2 Process	"respectively in 15 December 2013 – what does this refer to?	Not found
6.4 Process 2 nd paragraph	There is repeated text in the last three lines of this paragraph	Amended
8.4.1.1 1 st paragraph 2 nd paragraph	<p>The withdrawal of MC&I (Plantation Forests) requires further explanation if the two standards for FM are integral elements of the MTCS. Is there an impact on currently certified plantations is the obvious question?</p> <p>This paragraph would have a higher impact if the 9 Principles were in dot point format.</p> <p>Last sentence – are the 'other documents' normative elements of the MTCS which need compliance?</p>	<p>The two MC&I standards are separate standards and as such the PEFC endorsement can cover both or only one of those standards.</p> <p>TJConsulting does not have detailed and official information on reasoning of the exclusion of the plantation standard.</p>

		The verifiers section of the standard includes detailed and exhaustive list of documents, records, legislation, etc. that the forest manager shall comply with (e.g. Forestry manual 2003, etc.)
8.4.1.2	An introductory paragraph to state what a P, C, I are would be helpful although are mentioned in 8.4.1.1 – this information is in the preceding discussion on these elements but it provides a good reminder of their function in the MTCS as the details are outlined in this section	MC&I refers to specific document that is in full identified in chapter 6 Referenced documentation.
5.1.2	What does 'ND 003' mean in terms of MTCC documentation? It is not indicated in Chapter 6!	Amended
5.1.4	C7.2 – use of 'regular' is different to language in 5.1.2	Means "periodic". Amended
5.1.5	5.6.1 – presumably a Criterion or is it an Indicator?	Amended
5.1.9	C5.3 is repeated as 4 th paragraph!	Amended
5.1.10	From 5.1.3, the reference to silvicultural systems would be applicable here – for consideration	Amended
5.2.6	Would support the justification as tropical rainforest is not a fire-adapted forest type compared to some temperate forest types – a clause in the FM standard which has no material bearing on the applicable forest management, doesn't cater for national conditions. The prevention or suppression of fire on the fringes of forests or in exceptional drought times is a more meaningful response to fire for the FM standard	
5.3.1	2 nd paragraph – assume that it covers both wood and non-wood products?	The PEFC requirement as well as quoted parts of the MC&I standard also cover non-wood forest products.

5.3.6	Without having read the FM standard but using the information supplied by the consultant, could C5.6.2 and C7.1 d also be applicable?	Amended
5.4.8	Selective harvesting in rainforests will deliver a range of age classes due to the highly selective nature to provide the vertical diversity along with the mid and lower canopy trees, palms and or shrubs. Horizontal diversity comes from downed trees, lianes, vines, epiphytic species. This is one forest type that would demonstrate the outcome sought from 5.4.8	The report refers to the Forestry Manual, 2003 that requires the selective harvest approach.
5.4.9	Justification – 2 nd paragraph – If there was anything traditional about forest management in Malaysia with its tropical rainforest forest types, it would be selective harvesting for species of need taking into account the full array of species – the system used provides for traditional management systems	Argumentation added
5.4.12	Tropical rainforests aren't the same as temperate and boreal forest types where the PEFC requirement has more relevance – flexibility for the national situation must be applied and clauses which support the intended outcome are suitable for conformity. Recall that before ST 1003, a 'tropical zone' PEFC member would have met the ITTO/ATO requirements which were specific to rainforest forest types!	Considered
5.4.13	The text of 6.2.1 from 5.4.11 would assist in this clause especially for rare tree species	Considered
5.6.10	4 th paragraph – which P or C or I is this? It could also be used for 5.6.9.	Reference to C3.3 added
8.6.1 2 nd paragraph	Is this an issue which is due to the MTCC revision process spanning the period where the PEFC changed many of its normative documents?	No. This refers to the fact that the PEFC Council has currently two sets of requirements for chain of custody certification bodies (Annex 6 and PEFC ST 2003).
8.6.2.1 3 rd paragraph	Annex 6 of the PEFC TD wasn't a meta-standard as is most current PEFC standards, so using such allowed harmonisation amongst PEFC national schemes – additional national context and/or requirements would be preferable.	Annex 6 of the PEFC Technical Document was used as a meta-standard, i.e. it allowed and requested

		member schemes to develop scheme specific requirements.
8.8.1 Introduction and summary Last paragraph	Is this from the PEFC BoD or the PEFC GA? If PEFC GA endorsement of MTCS, it would by default endorse this penalty over the PEFC requirement	PEFC GD 1004 is the document adopted by the PEFC Council Board of Directors. This report identifies non-conformities with the pre-defined set of the PEFC Council requirements. The resolution of this non-conformity could also include an exemption given by the PEFC BoD.
8.9.2 5.1a	a) – with the withdrawal of the Plantation standard, how does this impact on the notified CBs?	The current MTCC plantation standard has been endorsed by the PEFC Council. If the PEFC Council Board does not extend the validity of the endorsement of this standard, all certifications against this standard would lose their PEFC recognition.
Stakeholder questionnaire	Background (3 rd paragraph) and Question 2 refer to the PEFC Swiss scheme! As this was sent to Malaysian stakeholders to comment on the MTCS, this is an oversight which should not have occurred as it impacts on the consultant's professional standing in conduct of the assessment	Amended. It is evident from other part of the document that this was an oversight.
Annex 2	This could be in larger font but if that doesn't work consider the page in landscape	This is a landscape. The table was copied from the MTCC pdf documentation so the font cannot be enlarged.