

cpet

Central Point of Expertise on Timber

Evaluation of Category A Evidence

Obsoleter

Assessment Results
**Malaysian Timber
Certification Council**

18 October 2004

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1 of 16

MTCC 2004

Executive Summary

Date of Current Assessment: October 2004

Anticipated Date of Next Assessment: 2006

Current Status

Meets requirements for legality.

Does not meet requirements for sustainability.

Changes from last assessment

N/A

Obsolete

Introduction

The UK Government's procurement policy on timber and timber products was announced in July 2000¹. This policy requires all Government departments and their agencies to actively seek to buy timber products from legal and sustainable sources. In 2003 the Government issued a model contract specification for the supply of timber and timber products that required timber to come from legal sources. The model contract also included a variant specification for timber from sustainable sources.

A key requirement of the contract and variant specification is that suppliers must be able to provide evidence to the Government that the wood or wood products they supply are from legal and, if promised by the supplier, sustainable sources. A number of ways were identified for achieving this. One of the most straightforward is to supply products from certified sources², provided that the certification scheme involved delivers the Government's requirements for legality or sustainability. As there are a number of different timber certification schemes available, the Government recognised that it needed a framework for assessing which ones deliver its timber policy, incorporating the requirements contained in the new contract and variant specifications.

Therefore, a study was carried out through the Central Point of Expertise in Timber (CPET) to review the contract and variant specifications and to assess the five certification schemes identified by procurement staff as the most commonly encountered in the UK wood supply chain to establish which of them deliver UK Government requirements for legal and sustainable timber. These five schemes were:

- The Canadian Standards Association scheme (CSA), which is applicable in Canada.
- The Forest Stewardship Council system (FSC), which is international in scope.
- The Malaysian Timber Certification Council scheme (MTCC), which is applicable in Malaysia.
- The Programme for the Endorsement of Forest Certification schemes (PEFC), which is international in scope.
- The Sustainable Forestry Initiative (SFI), which is applicable in the US and Canada.

These certification schemes are assessed annually to ensure they continue to meet the UK Government's criteria for "legal" and "sustainable".

¹ http://www.press.dtlr.gov.uk/pns/DisplayPN.cgi?pn_id=2000_0516

² It is important to note that the UK Government has no intention of requiring suppliers to supply only certified products. It is simply one of the ways in which evidence of legality or sustainability can be delivered. Any other adequate form of evidence will be equally acceptable.

1. The methodology for assessing schemes

2.1 Methodology

The annual re-assessment of each scheme is made based on publicly available documentation from each scheme. For each criterion, relevant scheme requirements were identified together with a note on whether these constituted inadequate, partial or full compliance with the criterion.

The draft assessments are then sent to the respective scheme with an invitation to review the findings and, wherever appropriate, to provide further information or comment on the draft results.

Comments, together with additional information or documentation, were submitted by each scheme and discussions were held with some scheme personnel to discuss and clarify particular issues. The initial findings were reviewed on the basis of this additional input and proposed changes to the findings were drafted. These proposed changes, together with all of the comments submitted by the schemes, were sent for internal Government review and then discussed with the CPET Reference Board. Based on all the input received from this process, the findings were then finalised, and submitted to DEFRA. Following acceptance by DEFRA, the completed findings were sent to the respective schemes.

A more detailed version of the methodology can be found in the CPET Phase 1 Final Report, dated November 2004.

1.1.1. Information sources

As discussed above, the assessment for each scheme was carried out based on publicly available documentation from the scheme, together with direct discussions with some scheme personnel. ***No assessment of the actual outcome of certification in the forest was made***, as this was not part of the terms of reference for the assessment. Details on the sources are available in Appendix 1.

1.1.2. Scoring system used

For each scheme compliance with the requirements of each criterion was scored on a 3-point scale:

0: Inadequately addressed and not acceptable.

1: Partially addressed.

2: Fully addressed.

As a result of having only three possible scores, the score of 1 applied to a wide range of situations, but this was considered a better option than trying to divide partial compliance into a number of different levels which carries a significant risk of becoming subjective.

To achieve recognition as delivering requirements for legality the scheme must achieve a score of at least 1 for each criterion applicable to legality.

To achieve recognition as delivering requirements for sustainability the scheme must achieve a score of at least 1 for each criterion applicable to sustainability as well as an overall score equal to 75% of the total possible.

Therefore, a score of zero for any criterion prevents a scheme from being recognised for the category.

1.1.3. Addressing products containing certified and uncertified material

All of the certification schemes examined allow mixing of certified and uncertified raw material in certified products. As a result, two types of certified product exist:

- 100% certified products: these products contain only material which originated in certified forests. For these products it is only necessary to assess the control of certified material.
- Mixed source products: these products contain material from a range of sources including certified forests, uncertified forests and recycled. Therefore, it is necessary to assess the control not only of certified material, but also of uncertified and recycled material to establish whether it meets the contract conditions and variant specification.

Therefore, although the bulk of the analysis deals with the control of certified material, it is also necessary to decide what is adequate control of the uncertified material in a mixed source product. This was determined as follows:

Legal compliance: the requirements of the certification scheme must be adequate to ensure that there is a verifiable system in place to check that all uncertified material is from a legal source. It is recognised that this is less rigorous than the requirements for the certified material and provides less of a guarantee that the material is from a legal source. However, it was considered that this was adequate to demonstrate due diligence provided the certification schemes included mechanisms to enforce the requirement.

Sustainable: the Government variant specifications and the criteria used to assess schemes set out rigorous requirements which must be met in the forest in order to ensure that forest management is sustainable. Therefore, if uncertified material is to be considered as coming from sustainable sources, it is necessary to have in place a system which ensures similarly rigorous requirements are met for the uncertified material. In practice, such requirements exist only for certified material and currently are not met by any scheme for uncertified raw material.

2. Results

The full findings, scores and results for the MTCC assessment can be found in Appendix 1.

2.1. Legal

The assessment indicated that the MTCC scheme is adequate to ensure that certified forests meet UK Government requirements for legal timber. However, requirements for control of uncertified material in mixed source products are not adequate to ensure legality. Therefore, only 100% MTCC-certified products deliver UK Government requirements for legality.

Main issues:

- Criterion 4.2.2: The chain of custody requirements permit mixing with uncertified material (section 2.2), but include no requirements relating to control of the source of the uncertified portion. As a result, there is no guarantee that material from illegal sources will be excluded. A process is underway to revise these requirements.

2.2. Sustainable

The assessment indicated that the current requirements of the MTCC scheme are not adequate to ensure that certified forests meet UK Government requirements for sustainable timber.

Main issues

- Criterion 1.3.2: Balanced representation of interest categories in the standard-setting process. The standard-setting process for the current standard (MC&I, 2001) attempted to be broad-based in terms of participation, by inviting a wide range of stakeholders to consultation events. MTCC state that '*the standard was adopted by consensus at the National Level Consultation held in October 1999 which was attended by 119 participants*'. However, this approach, consisting of invitations to consultation meetings, did not include any formal mechanisms to ensure balanced representation between interest categories.

The membership of the body for setting the revised MC&I standard currently being developed seeks to ensure balanced representation, which should address this requirement.

Appendix 1. Full results of the assessment for MTCC

This appendix contains the full results of the assessment of the MTCC forest certification scheme against the UK Government criteria.

The results are presented in the form of a table with five columns containing the following information:

- **Criteria:** This sets out the UK Government criteria for assessing forest certification schemes which a scheme must meet.
- **Findings:** This contains notes from the assessment process summarising the objective evidence compiled from the scheme documentation to justify the score given. *It should be noted that the text in this column is in the form of notes to summarise the information to be used in making an assessment and may in some cases be ambiguously or imperfectly worded. It was not designed to replace original scheme wording nor to be quoted in isolation.*
- **Score:** This sets out the score given for the degree of compliance with the scheme with each criterion. See Section 2.2.3 for notes on the scoring system used.
- **L:** A tick in this column indicates that the criterion relates to meeting UK Government requirements for legality.
- **S:** A tick in the column indicates that the criterion relates to meeting UK Government requirements for sustainability.

Source Documents

Malaysian Criteria, Indicators, Activities and Standards of Performance for Forest Management Certification (MC&I). Malaysian Timber Certification Council, 4 October 2001.

Procedures in MTCC Timber Certification Scheme. Malaysian Timber Certification Council, 23 January 2002.

Assessment Procedures in Using the MC&I (Peninsula Malaysia). MTCC, November 2001.

Requirements and Assessment Procedures for Chain-of-Custody Certification (RAP/COC) Malaysian Timber Certification Council, 3 November 2000.

1. Forest Standards

1.1. Content of standards for legal compliance

Criteria	Findings	Score	L ³	S
1.1.1 The standard requires that the forest owner/manager holds legal use rights to the forest	Fully addressed by MC&I, sections 2.1 (records of gazettelement) and 6.7 (tenure and user rights).	2	✓	
1.1.2 The standard requires compliance from both the forest management organisation and any contractors with local and national laws and codes of practice including those relevant to: Forest management Environment Labour and welfare Health & safety	Partially addressed by MC&I, sections 1.1, 3.3, 3.6, 3.7, 4.2, 5.2, 5.4, 5.5, 5.6, 6.3, where specific legal requirements and codes are referenced. However, there is no general requirement for legal compliance, and some relevant environmental legislation for Peninsular Malaysia is not referenced in the MC&I, such as the Environmental Quality Act 1974 and the Protection of Wildlife Act 1972.	1	✓	
1.1.3 The standard requires payment of all relevant royalties and taxes	Implicit in the content of MC&I, section 1.1 (legal framework).	2	✓	
1.1.4 The standard requires compliance with the requirements of CITES.	Implicit in the content of MC&I, sections 1.1 (legal framework) and 4.2 (protected species). Malaysia is a signatory to CITES.	2	✓	

1.2. Content of standards for sustainable variant

Criteria	Findings	Score	L	S
1.2.1 Certification standards must be based on a widely accepted set of international principles and criteria defining sustainable or responsible forest management at the forest management unit level, such as: • Intergovernmental processes designed for	MC&I are based on ITTO Criteria and Indicators, 1998. (A revised version of the MC&I based on the FSC P&C is at final drafting stages, for use in field assessments from 1 January 2005).	2		✓

³ L: required to meet requirements for legal, S: required to meet requirements for sustainable variant

Criteria	Findings	Score	L	S
<p>use at FMU level</p> <ul style="list-style-type: none"> • ITTO Criteria • FSC P&C 				
1.2.2 The standard should be performance-based.	MC&I contains many performance elements throughout the standard.	2		✓
<p>1.2.3 The standard must ensure that harm to ecosystems is minimised. In order to do this the standard should include requirements for:</p> <p>i) Appropriate assessment of impacts and planning to minimise impacts;</p> <p>ii) Protection of soil, water and biodiversity;</p> <p>iii) Controlled and appropriate use of chemicals and use of Integrated Pest Management wherever possible.</p> <p>iv) Proper disposal of wastes to minimise any negative impacts.</p>	<p>i) MC&I contains no explicit reference to overall assessment of environmental impacts.</p> <p>ii) Addressed by MC&I requirements to minimise impacts on soil, water and biodiversity (see also criterion 1.2.6), in sections 3.7, 5.2, 5.3, 5.4, 5.5, 5.6.</p> <p>iii) The use and control of chemicals is addressed by guidelines referenced in the MC&I (section 3.6).</p> <p>iv) There are no explicit references to waste disposal, apart from the general requirements for legal compliance.</p>	1		✓
<p>1.2.4 The standard must ensure that productivity of the forest is maintained. In order to do this the standard should include requirements for:</p> <p>i) Management planning and implementation of management activities to avoid significant negative impacts on forest productivity.</p> <p>ii) Monitoring which is adequate to check compliance with all requirements, together with review and feedback into planning.</p>	<p>i) Addressed by MC&I requirements for yield forecasting, sustained yield, management planning and relevant record keeping, in sections 3.1, 3.2, 3.3, 3.4, 3.5.</p> <p>ii) MC&I contains requirements on use of harvesting records (section 3.5) and biomonitoring (section 4.3). However, the standard does not address monitoring in a broader sense.</p> <p>iii) Addressed by MC&I requirements for best practice procedures to minimise impacts, in sections 3.7, 5.2, 5.3, 5.6.</p> <p>iv) MC&I includes requirements relating to health and safety training (section 6.3), but not relating to environmental impacts or any other issues.</p> <p>v) Addressed by MC&I requirements for yield forecasting, sustained yield, management</p>	1		✓

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Criteria	Findings	Score	L	S
<p>iii) Operations and operational procedures which minimise impacts on the range of forest resources and services.</p> <p>iv) Adequate training of all personnel, both employees and contractors.</p> <p>v) Harvest levels that do not exceed the long-term production capacity of the forest, based on adequate inventory and growth and yield data.</p>	<p>planning and relevant record keeping, in sections 3.1, 3.2, 3.3, 3.4, 3.5.</p>			
<p>1.2.5 The standard must ensure that forest ecosystem health and vitality is maintained. In order to do this the standard should include requirements for:</p> <p>i) Management planning which aims to maintain or increase the health and vitality of forest ecosystems</p> <p>ii) Management of natural processes, fires, pests and diseases.</p> <p>iii) Adequate protection of the forest from unauthorised activities such as illegal logging, mining and encroachment.</p>	<p>i) Addressed by MC&I requirements relating to maintenance of ecosystem processes, in terms of sustained yield & ecosystem functioning (section 3.1), natural regeneration (section 3.6) and biodiversity management (section 4.2).</p> <p>ii) MC&I does not include specific references to fire, pests and diseases, apart from the general requirements for legal compliance. This is considered adequate in the context of natural forest management in Malaysia.</p> <p>iii) Partially addressed. MC&I requirements concerning protection from unauthorised activities are limited to the legal framework (section 1.1) and boundary marking (section 2.2).</p>	1		✓
<p>1.2.6 The standard must ensure that biodiversity is maintained. In order to do this the standard should include requirements for:</p> <p>i) Implementation of safeguards to protect rare, threatened and endangered species.</p> <p>ii) The conservation/set-aside of key ecosystems or</p>	<p>i) MC&I requirements address identification and management of rare, threatened and endangered species (sections 4.1 and 4.2).</p> <p>ii) Addressed by MC&I requirements for conservation of key habitats and protection of features of exceptional value (section 4.2).</p> <p>iii) Addressed by MC&I requirements for conservation of key habitats and protection of features of exceptional value (section 4.2).</p>	2		✓

Criteria	Findings	Score	L	S
habitats in their natural state. iii) The protection of features and species of outstanding or exceptional value.				

1.3. Standard-setting process

Criteria	Findings	Score	L	S
1.3.1 The standard-setting process should meet the requirements of <i>ISO Guide 59: Code of Good Practice for Standardisation</i> , the <i>ISEAL Code of Good Practice for Setting Social and Environmental Standards</i> or equivalent.	<p>The MC&I (2001) standard setting process was coordinated by MTCC. (The process for the revised MC&I has been led by the National Steering Committee [NSC], with MTCC acting as the secretariat).</p> <p>The standard setting procedure has addressed some Guide 59 requirements relating to participation, coordination and information. However, there is an absence of documented standard-setting procedures.</p>	1	✓	✓
1.3.2 The standard-setting body must include balanced representation of economic, environmental and social interest categories.	<p>The MC&I (2001) process attempted to be broad-based in terms of participation, by inviting a wide range of stakeholders to consultation events. MTCC state that ‘the standard was adopted by consensus at the National Level Consultation held in October 1999 which was attended by 119 participants’.</p> <p>However, this approach, consisting of invitations to consultation meetings, did not include any formal mechanisms to ensure balanced representation between interest categories.</p> <p>NSC membership for setting the revised MC&I standard seeks to ensure balanced representation, and will address this requirement.</p>	0		✓
<p>1.3.3 The decision-making process adopted by the standard-setting body should ensure:</p> <ul style="list-style-type: none"> no individual person or organisation can veto the process; 	<p>The MC&I (2001) standard setting process was coordinated by MTCC, and involved consultation with a broad range of organisations. Although the standard was adopted by consensus, the decision-making process did not follow any clear procedures relating to the influence of difference interest categories.</p>	1		✓

Criteria	Findings	Score	L	S
<ul style="list-style-type: none"> no single interest can dominate the process; no decision can be made in the absence of agreement from the majority of an interest category. 	The NSC structure as a multi-stakeholder entity consisting of representatives of the main interest categories will address this requirement, with the objective of achieving consensus-based decisions with agreement from each interest category.			

2. Certification

Criteria	Findings	Score	L	S
<p>2.1 Certification is undertaken by an individual or body whose organisation, systems and procedures conform to appropriate ISO guidance, or publicly available equivalent. ISO guidance includes:</p> <p>ISO Guide 62:1996 General requirements for bodies operating assessment and certification/registration of quality systems</p> <p>ISO Guide 65: 1996 General Requirements for bodies operating product certification systems</p> <p>ISO Guide 66: 1999 General requirements for bodies operating assessment and certification/registration of environmental management systems (EMS).</p>	<p>MTCC acts as the certification body, by processing applications, appointing MTCC-registered independent assessors to undertake the assessments, and making certification decisions based on the report of the assessors.</p> <p>The MTCC Procedures (2002) for certification provide limited compliance with ISO Guides or equivalent, as they cover the activities of the MTCC (receipt of applications, registration of assessors, appointment of assessors for specific assessments, certification decision-making). In addition, the MTCC Assessment Procedures (2001) cover all stages of the assessment process for forest certification, as undertaken by the approved assessor.</p> <p>Together, conformity with these documents partially addresses the requirements of relevant ISO Guides.</p>	1	✓	✓
<p>2.2 Certification is undertaken by an individual or body which is accredited to evaluate against forest management standards.</p>	<p>Certification is currently performed by MTCC (see criterion 2.1), but this is currently unaccredited.</p> <p>However, this is partially offset by the fact that MTCC forest certification assessments have to date been undertaken by certification bodies (SGS and SIRIM) that are internationally accredited for management systems certification, and SGS, who have performed 7</p>	1	✓	✓

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Criteria	Findings	Score	L	S
	<p>of the 8 assessments to date, also operate an FSC-accredited forest certification programme.</p> <p>MTCC is currently taking steps to streamline its responsibilities so as to take on the role of a National Governing Body (NGB). Under this proposed arrangement, the independent assessors will be the certification bodies (CBs), and these CBs will have to be accredited to the Department of Standards Malaysia (DSM), which is the national accreditation body.</p>			
2.3 The certification audit must include assessment of systems and documentation together with verification of outcomes in the forest adequate to ensure that both system and performance requirements in the standard are being met.	The MTCC Assessment Procedures (2001) cover all stages of the assessment process for forest certification, as undertaken by the approved assessor. The procedures require that the process includes document review, assessment of systems and field verification (section 2.2).	2	✓	✓
2.4 The certification audit must include sufficient consultation with external stakeholders to ensure that all relevant issues are identified relating to compliance with the requirements of the standard.	The MTCC Assessment Procedures (2001) cover all stages of the assessment process for forest certification, as undertaken by the approved assessor. This includes stakeholder consultation (section 2.2.4).	2		✓
2.5 A summary of the results of the certification audit (excluding confidential information) is publicly available to interested parties.	<p>The MTCC Assessment Procedures (2001) cover all stages of the assessment process for forest certification, as undertaken by the approved assessor. The procedures require that a summary of information relating to a certified forest area is made publicly available (section 4.5). This is repeated (section 2.6.7) in the complementary MTCC procedures (2002) document.</p> <p>These requirements have been interpreted to date in the form of a public summary of the certification report for each MTCC-certified forest management unit, which is available on the MTCC website.</p>	2		✓
2.6 There is an accessible and functioning mechanism	MTCC procedures do include provision for appeals against certification decisions (section	1	✓	✓

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Criteria	Findings	Score	L	S
for dealing with complaints and disputes which is open to any interested party.	<p>2.6.2).</p> <p>In addition, the MTCC assessment procedures (2001) include provision for investigating complaints from interested parties during surveillance audits (section 5.3).</p> <p>However, a formal mechanism to fully address the requirement for dealing with complaints and disputes is not included in MTCC systems.</p>			

3. Accreditation

Criteria	Findings	Score	L	S
3.1 Accreditation must be undertaken by a national or international body whose organisation, systems and procedures conform to ISO Guide 61: 1996 General Requirements for Assessment and Accreditation of Certification Bodies or equivalent.	<p>There is currently no accreditation for the MTCC certification process, although this will be implemented in the future (see criterion 2.2).</p> <p>However, the requirement is partially addressed at the present time by the fact that MTCC forest certification assessments have to date been undertaken by certification bodies (SGS and SIRIM) that are internationally accredited for management systems certification (see criterion 2.2), by accreditation bodies that are Guide 61 compliant.</p> <p>Although some MTCC independent assessors are certification bodies that are international accredited for management systems certification, there are a number of others for which this safeguard does not apply, and this situation will have to be regularly reviewed by CPET until specific accreditation arrangements are in place.</p>	1	✓	✓

4. Chain of custody

4.1. Criteria for all products

Criteria	Findings	Score	L	S
4.1.1 Assessment of chain of custody must be undertaken by a certification body or auditor operating in accordance with ISO Guide 65 or equivalent and	<p>MTCC acts as the certification body. The MTCC Procedures (2002) for certification, together with the MTCC requirements and procedures for chain of custody (RAP/COC, 2000) provide partial compliance with ISO Guides or equivalent.</p>	1	✓	✓

Criteria	Findings	Score	L	S
<p>accredited by an accreditation body operating in accordance with ISO Guide 61 or equivalent.</p>	<p>The RAP/COC document includes some requirements relating to the assessment procedures (section 3) and the monitoring of compliance (section 5). However, these limited systems also include significant weaknesses, such as the training requirement for COC lead auditors (MTCC Procedures, Annex 4).</p> <p>There is currently no accreditation for the MTCC certification process (see criteria 2.2 and 3.1). However, the requirement for accreditation is partially addressed by the fact that, with the exception of one certificate (from a total of 52), MTCC COC assessments have to date been undertaken by certification bodies (SGS and SIRIM) that are internationally accredited for management systems certification (see criterion 2.2), by accreditation bodies that are Guide 61 compliant. The remaining certificate has been issued by an organisation that has been nationally approved for some forms of independent inspection.</p> <p>Although some MTCC independent assessors are certification bodies that are international accredited for management systems certification, there are a number of others for which this safeguard does not apply, and this situation will have to be regularly reviewed by CPET until specific accreditation arrangements are in place.</p>			
<p>4.1.2 There must be a certified chain of custody in place from the forest of origin to the final product.</p>	<p>Fully addressed by the RAP/COC, section 1.1.</p>	2	✓	✓
<p>4.1.3 There is a clearly defined mechanism for controlling all claims made about the certified nature of products which ensures that claims are clear and accurate and that action is taken to prevent any false or misleading claims.</p>	<p>Fully addressed by MTCC Procedures Annex 11.</p>	2	✓	✓

4.2. Criteria for certified and non-certified mixed products

Criteria	Findings	Score	L	S
<p>4.2.1 If recycled material is used there must be a verifiable system in place to ensure that recycled material is from the following categories:</p> <ul style="list-style-type: none"> • Pre-consumer recycled wood and wood fibre or industrial by-products but excluding sawmill co-products • Post-consumer recycled wood and wood fibre <p>Drift wood</p>	<p>RAP/COC does not include any provision for recycled material. The MTCC scheme documentation does not make any reference to recycled material, due to the fact that the use of recycled material in Malaysia is still insignificant. This criterion is not considered applicable.</p>	n/a	✓	✓
<p>4.2.2 If mixing of certified and uncertified material is permitted then there must be a verifiable system in place which ensures that all uncertified material used is from legal sources to meet the contract requirements for legal timber.</p>	<p>RAP/COC does permit mixing with uncertified material (section 2.2), but includes no requirements relating to the uncertified portion. (A process has now commenced to review the RAP/COC requirements).</p>	0	✓	
<p>4.2.3 If mixing of certified and uncertified material is permitted then there must be a system in place which ensures that all uncertified material used is from sustainable sources to meet the variant specification requirements for sustainable timber.</p>	<p>There is no requirement for a system to ensure that the forests of origin of all uncertified material meet the variant specification requirements for sustainable timber.</p> <p>RAP/COC does permit mixing with uncertified material (section 2.2), but includes no requirements relating to the uncertified portion.</p>	0		✓