3rd FSC National Standards Development Group Meeting

Date: 22nd - 24th November 2011
Venue: Crystal Crown Hotel, Petaling Jaya

Present

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Anthony SEBASTIAN</td>
<td>Chair</td>
</tr>
<tr>
<td>Dr. Sanath KUMARAN</td>
<td>ENVIROLOGIC</td>
</tr>
<tr>
<td>Ms. Kanitha KRISHNASAMY</td>
<td>TRAFFIC Southeast Asia</td>
</tr>
<tr>
<td>Mr. Lim Si Siew</td>
<td>Grassroots</td>
</tr>
<tr>
<td>Mr. Thomas JALONG</td>
<td>Jaringan Orang Asal SeMalaysia (JOAS)</td>
</tr>
<tr>
<td>Mr. TAN Chin Tong</td>
<td>Independent Expert</td>
</tr>
<tr>
<td>Mr. Edmund GAN</td>
<td>Sabah Forest Industries (SFI)</td>
</tr>
<tr>
<td>Ms. Jayashree KANNIAH</td>
<td>SDG Secretariat, Forest Sustainability Malaysia Sdn. Bhd. (FSM)</td>
</tr>
</tbody>
</table>

In attendance

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Rob UKKERMAN</td>
<td>FSC International</td>
</tr>
</tbody>
</table>

1.0 Call to Order

The 3rd meeting of the FSC National Standards Development Group (SDG) was held on 22nd November 2011 at 9:00 am and was called to order by the Chair.

2.0 Welcome Remarks

The Chair welcomed all SDG members to the meeting.

3.0 Adoption of Agenda

Upon amendments, the Agenda was adopted.

4.0 Follow up: Minutes of the 1st and 2nd SDG Meeting

Matters arising from the 1st and 2nd minutes was jointly reported. These covered the following issues:

4.1 Field Testing at SFI

In the previous meeting, Mr. Gan was approached to consider offering an SFI managed site for the Standards field-testing exercise. He responded that budgetary needs must first be considered before a decision can be made.

Action: Secretariat

4.2 Funding Support from TFT

Mr. Tan shared that TFT has turned down the offer in providing funding support to this process.

4.3 Draft Standards, Minutes and Related Articles in the National Language

Dr. Sanath will lead in the translation of the draft Standards to the National language, with assistance from Mr. Salahudin.

Action: Dr. Sanath, Mr. Salahudin

Secretariat will take the lead in translating all meeting minutes to the National language.

Action: Secretariat
4.4 **Stakeholder’s List**

The Secretariat informed SDG members that the national stakeholders list will be continuously updated, circulated to members and maintained by the Secretariat.

4.5 **Clarification from FSC**

Clarifications on anti-corruption scope, intellectual property rights, long-term conservation benefits and the international status on HCVs has been provided by Mr. Gordian of FSC via email communications.

4.6 **Communications on Intellectual Property Issues**

The SDG members were informed of communications between the Secretariat, KASS International Sdn. Bhd. and Dr. Paul Quek on intellectual property (IP) issues. The Secretariat stated that according to Dr. Paul and KASS, IP rights of indigenous people only apply to knowledge which is not in the public domain. She shared that more resource materials to better understand IP issues can be obtained on the World Intellectual Property Organization (WIPO) website. WIPO is a specialized agency of the United Nations that is dedicated to developing a balanced and accessible international intellectual property (IP) system, which rewards creativity, stimulates innovation and contributes to economic development while safeguarding the public interest.

4.7 **Updated timeline**

The updated timeline for the SDG process has been communicated to FSC.

4.8 **Status of the Website**

The Chair requested for SDG members to contribute pictures for the FSM website; all contributions will be duly acknowledged. Contributions are to be forwarded to the Secretariat.

5.0 **Approval of the Minutes**

Mr. Lim proposed for the adoption of the 1st meeting minutes, seconded by Mr. Tan.

The adoption of the 2nd SDG meeting minutes was proposed by Ms. Kanitha and seconded by Mr. Gan.

6.0 **Reviewing the Indicators and Verifiers**

Mr. Rob Ukkerman participated on the first day of the SDG meeting as an observer.

The drafters encountered some challenges in conceptualising criteria 1.8 with regards to the Policy of Association (FSC-POL-01-004), in light of current and proposed status of forest conversion in the country as well as circumstances attached to an Organization’s licence agreement. While drafters understand the intent of criteria 1.8, it can/may be conflicting to an Organisation’s licence agreement which stipulates conversion of FMU area to tree plantation, as is the case with at least one FMU in Sabah. The drafters also wanted clarification on whether the conversion of up to 10% is applied to a particular FMU or a region/state in the country.

Clarification from FSC is to be sought on both these matters.

**Action: Secretariat**

Mr. Tan requested that the Secretariat seek clarification from Price Waterhouse Coopers on the indicators of a healthy balance sheet and cash flow, in accordance to Criteria 5.5.

**Action: Secretariat**
Mr. Lim was requested to review the details of ILO core convention and Occupational Safety and Health Act 1994, in accordance to criteria 2.1 and 2.3, respectively.

Action: Mr. Lim

Mr. Tan suggested that FRIM is consulted on the matter of annual allowable cut (AAC). Mr. Gan suggested approaching Robert Ong from Forest Research Centre (FRC) on this matter too. Both the drafters concurred that more scientific methodology is needed in understanding the current practises of AAC within the three regions. Mr. Tan also highlighted that Sabah has adopted the Dipterocarp Forest Growth Simulation Model (DIPSIM), while Peninsular Malaysia adheres to the Selective Management System (SMS). Mr. Tan explained that traditionally, Malaysian forests have been managed under the Malayan Uniform System (MUS). Mr. Tan also shared that Mr. Herman Anjin from Sabah has hands-on experience in developing DIPSIM, should also be consulted.

The drafters requested the Chair and/or Secretariat to get contact these individuals on the issue of annual allowable cut.

Action: Secretariat /Chair

The group identified the need to define specific terms and definitions (within the national context) used in the Standards.

Action: SDG

Within the next three days, the drafters completed Principles 3 to 6. The drafters requested for the 4th SDG meeting to be held in Sabah to coincide with a proposed discussion to be held between the drafters and key economic stakeholders in Sabah. The next meeting was proposed to be held in February 2012.

Action: Secretariat

7.0 Adjournment

The Chairman thanked all the members for their active participation and adjourned the 3rd SDG meeting on 24th November at 6.00 p.m.