12th FSC National Standards Development Group (SDG) Meeting

Date : 9 – 10 April 2018
Venue : Hilton Petaling Jaya

Present

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tr>
<td>Mr. Anthony SEBASTIAN (AS)</td>
<td>Chair, SDG</td>
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<td>Mr. Yi Tan CHANG (YT)</td>
<td>SDG (Environment Chamber)</td>
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<tr>
<td>Ms. Kanitha KRISHNASAMY (KK)</td>
<td>SDG (Environment Chamber)</td>
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<td>Mr. Si Siew LIM (SS)</td>
<td>SDG (Social Chamber)</td>
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<td>Mr. Thomas JALONG (TJ)</td>
<td>SDG (Social Chamber)</td>
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<td>Mr. Chin Tong TAN (CT)</td>
<td>SDG (Economic Chamber)</td>
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<td>Mr. Edmund GAN (EG)</td>
<td>SDG (Economic Chamber)</td>
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<td>Mr. Leslie JONG (LJ)</td>
<td>Country Manager, FSC Malaysia</td>
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<td>Mr. Adrian CHOO (AC)</td>
<td>Chairperson, FSC Malaysia (Observer) – 2nd day only</td>
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1.0 Call to Order
The 12th meeting of the FSC National Standards Development Group (SDG) commenced on Monday, 9 April 2018 at 9:15 am and was called to order by the Chair.

2.0 Welcome Remarks and Agenda
The Chair welcomed all SDG members, and noted the inclusion of Adrian Choo, Chair of FSC Malaysia (FSC-MY) and Leslie Jong, FSC Malaysia Country Manager, in the proceedings. The group agreed on the following agenda for the 2-day meeting:

Day 1
- Approve minutes of the 11th SDG meeting
- Finalize Malaysian National Forest Stewardship Standards (NFSS) for submission based on the report on formal comments from the recent public consultation on the NFSS Draft 2-0
- Discuss response to queries about the composition of the Malaysian SDG

Day 2
- Finalize Malaysian NFSS for submission (continued)
- Discuss inclusion of additional Non-Timber Forest Products (NTFP) indicators for the NFSS
- Discuss NFSS submission process and next steps for the SDG
- Discuss actions related to Motion 7 discussion at the upcoming FSC Asia Pacific Forum
- AOB

3.0 Approval of minutes of the 11th SDG meeting
The SDG discussed the previous meeting minutes and corresponding action points. The SDG then approved the minutes of the 11th SDG meeting.

4.0 Finalization of the Malaysian NFSS for submission
The SDG discussed all comments received from the recent public consultation on the NFSS Draft 2-0 based on the latest draft report on formal comments prepared by SS. Following discussions, several decisions were made with regards to the report on formal comments and the NFSS Draft 2-0 document. These changes are to be reflected in both documents and redistributed to the SDG for a final approval. The SDG also decided that more details need to be included in the ‘SDG response’ column of the report to provide better justification and feedback to stakeholders in terms of how the SDG has responded to stakeholder comments on the NFSS.
All SDG members approved the motion on the Malaysian NFSS and declared that the NFSS has undergone sufficient consultation and testing, meets the aims and objectives in the Terms of Reference of the SDG and merits approval by FSC. All SDG members also formally approved motions on the Malaysian NFSS Draft 1-0, Draft 1-1 and Draft 2-0, which was also done at the SDG meetings held during 23-24 February 2017, 7-8 June 2017 and 30 October-1 November 2017 respectively. However, these decisions were not formally recorded in the relevant SDG meeting minutes.

**ACTION:** SS to edit (based on discussions and decisions) and redistribute the report on formal comments on the NFSS Draft 2-0 and the NFSS Draft 3-0 to the SDG for final approval.

### 5.0 Discussion on queries about the composition of the Malaysian SDG

There have been two queries made about the composition of the Malaysian SDG. The first was made by an un-named organisation, directly to Ms. Rulita Wijayaningdyah, Chairperson of the FSC International Board. The query was asking clarification on the decision-making role Anthony Sebastian played as Chair of the Malaysian SDG, whilst a sitting member of the FSC International Board. The second was made by Building and Woodworkers International (BWI), to Martha Núñez and Leendert van der Vlist, two social members of the FSC International Board.

AS and SS provided background on the recent queries to FSC International regarding 1) position of the Chair of the Malaysian SDG, and his position on the FSC International Board; and 2) position of economic chamber representative in the Malaysian SDG, respectively.

On the position of the Chair of the Malaysian SDG, the SDG discussed the matter and clarified that the position of the Chair of the SDG is not in a decision-making role within the chamber-balanced Malaysian SDG. The Malaysian SDG has seven members, two each from each chamber, and a chamber-neutral chairperson. The signed Terms of Reference clarifies the role of the independent chairperson on SDG.

On the position of EG as an economic chamber representative in the SDG and concern raised by BWI that EG is an employee of Sabah Forest Industries (SFI), an FSC-disassociated company, the SDG discussed and clarified that EG sits on the SDG as a representative of the economic chamber and not SFI. This matter was further clarified by the terms of reference document signed by all SDG members during the formation of the SDG. The objection to EG being identified as a representative of SFI is noted. His designation will be retained (a requirement under the SDG formal agreement with FSC-IC), but his email will be changed to a personal account. The SDG also decided not to list the affiliation of SDG members, but just his/her chamber, and his/her FSC membership if relevant.

### 6.0 Discussion on additional NTFP indicators

AC, representing WWF Malaysia as an FSC member in Malaysia, proposed that additional NTFP indicators be considered by the SDG. AS added that NTFPs are included in the current scope for FSC forest management certification but NTFPs cannot be labelled or claimed as FSC-certified. AC also mentioned that there is a current potential for certifying more than 1 million hectares of old rubber plantations in Malaysia. The SDG discussed options for including additional NTFP indicators. While the SDG is generally supportive of the idea, the SDG had to consider the risk of delaying the national standards development process as a result of this proposal.

AS suggested the option of the SDG commissioning a separate working group on NTFPs (focusing on latex for Malaysia). This FSC Malaysia-funded working group would develop NTFP-specific indicators, undergo regional and national consultations and present these new indicators to the SDG for a decision. A proposal would then be submitted by the SDG to FSC International as part of a revision of the Malaysian NFSS. KK further suggested that this process (of working on additional NTFP indicators) could be part of a bigger initiative by FSC Malaysia focusing on the country’s natural rubber industry. FSC Malaysia currently has plans to commission a fact-finding mission focusing on the potential of NTFPs in Malaysia and baseline study. This result of this study could then be provided to the SDG, which would then develop a terms of reference and commission the above-mentioned working group.

**ACTION:** FSC Malaysia and the SDG to follow up on the decision to include additional NTFP indicators in the Malaysian NFSS at a later stage with the following next steps:
a) FSC Malaysia to provide results of baseline study on the potential of NTFPs in Malaysia to the SDG
b) SDG to develop a terms of reference for a NTFP Indicators Working Group
c) SDG to commission the NTFP Indicators Working Group
d) NTFP Indicators Working Group to develop, carry out regional and national consultations on, and present new NTFP indicators to the SDG
e) SDG to submit proposal to FSC International (to include new NTFP indicators) as part of a revision of the Malaysian NFSS

7.0 Discussion on NFSS submission
SS explained FSC International’s standards approval process to the SDG including supporting documentation requirements and anticipated timelines. Firstly, the NFSS submission package will be forwarded to the FSC Policy and Standards Unit (PSU) officer based in the region. The NFSS will then make its way to the PSU in Bonn, Germany, and eventually to the FSC Policy and Standards Committee (PSC), who will make a final decision to either approve, approve with conditions or reject the NFSS submission. Throughout the submissions process, the SDG may be required to provide input and respond to queries as and when required. The SDG agreed to submit the Malaysian NFSS by May 2018 and it is anticipated that the standards approval process will take at least 6 months with a decision expected by December 2018.

8.0 Discussion on Motion 7-related actions
AS informed the group that FSC will be organizing a forum for FSC members in the Asia Pacific region in September 2018, in Mumbai, India. Motion 7 is on the agenda. The group discussed the issue and decided that:
- Work by a national working group should mirror the work of FSC International’s Motion 7 Working Group but at national level focusing on issues like Malaysia’s thresholds for environmental restoration, social compensation, forest conversion, etc.
- Workshop/forum to discuss Motion 7-related issues above should be organized to gather feedback from stakeholders
- FSC Malaysia should garner support from other Asian countries and demonstrate the country’s actions so far e.g. presenting a comparison of Malaysia’s potentially certifiable areas i.e. with the existing 1994 rule and the revised 1994 rule
- FSC Malaysia should engage the government sector by starting a national debate on managing deforestation/conversion and eventually pushing for a reform of existing forest policies with the aim of achieving a net balance between conversion and conservation for the country bearing in mind Malaysia’s commitment at the Conference of Parties (CoP) of maintaining 50% forest cover in perpetuity

AS also suggested that the national working group can present their findings (if completed in time) during discussions on Motion 7 at the abovementioned forum in India. AS suggested that the Chair of FSC Malaysia could present Malaysian stakeholders’ perspectives on FSC’s 1994 rule. The group also discussed the possibility of a Malaysian sitting on FSC International’s Motion 7 Working Group.

ACTION: FSC Malaysia to spearhead and plan for national actions with regards to supporting and contributing to FSC International’s Motion 7 work including the option of lobbying for, or proposing an individual, to sit on FSC International’s Motion 7 Working Group.

9.0 Adjournment
The Chair thanked the group for their active participation and adjourned the 12th SDG meeting on Tuesday, 10 April 2018, at 1.00pm.