

# MALAYSIA' S EFFORT TOWARDS ZERO DEFORESTATION

by

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FREE GLOBAL SUPPLY CHAIN TO HALTING DEFORESTATION  
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# OUTLINE

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# INTRODUCTION

Malaysia:

- ☐ is committed to the concept of sustainable development which addresses issues relating environment's protection & preservation and also how to ensure environmental issues are not abused by certain quarters to perpetuate their vested interests.
- ☐ played its due role both at regional and international level to promote world development that is well-balanced with the environment
- ☐ made significant contributions to Langkawi Declaration on the Environment adopted by the Commonwealth Heads of Government meeting in 1989. It commits the Commonwealth to an active role in protecting natural balances and preventing environmental deterioration.

## INTRODUCTION

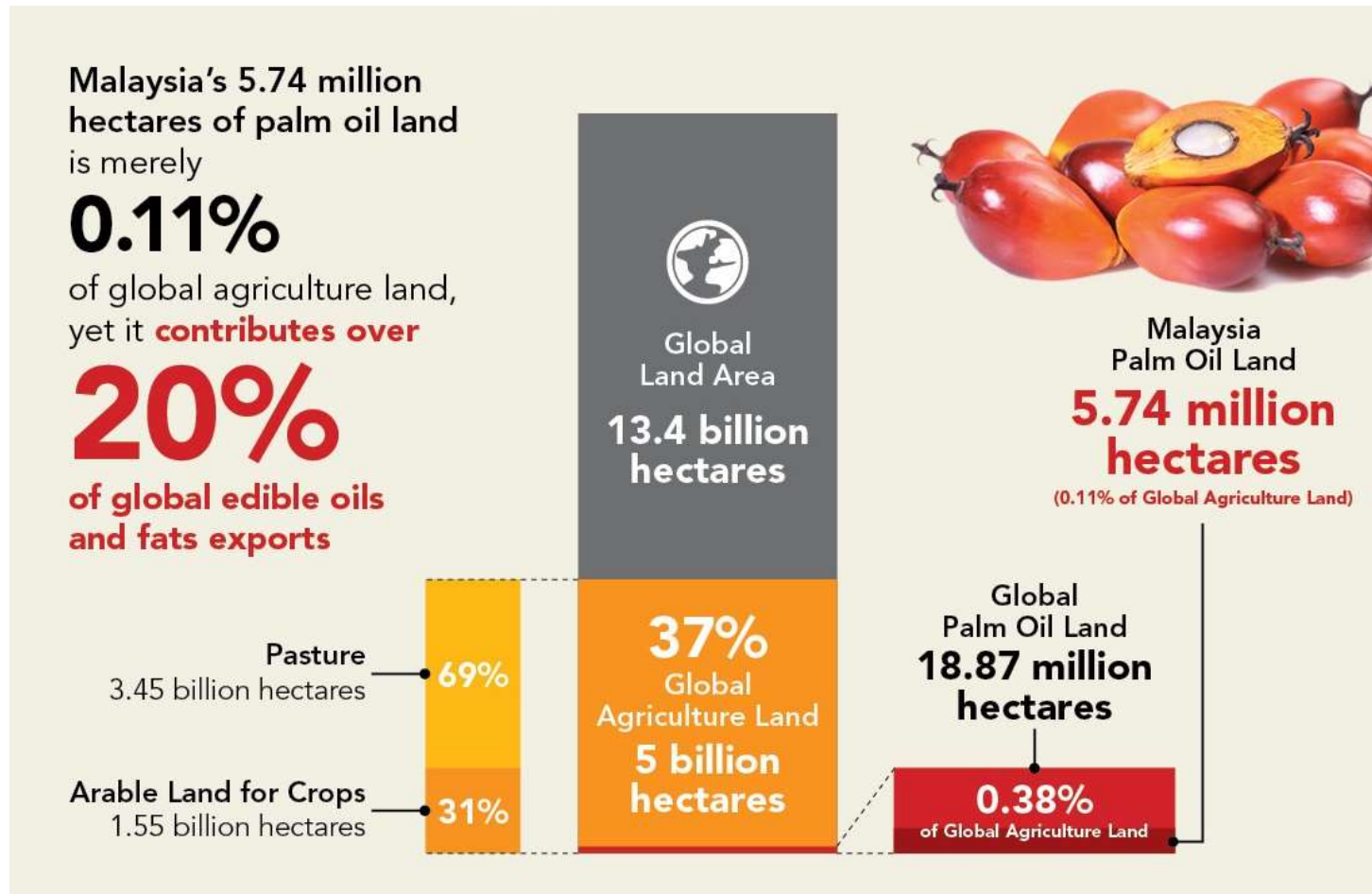
- ☐ In terms of forest conservation and management, Malaysia's tropical rainforests cover **over 50%** of its total land area of 33.03 million ha
- ☐ If we consider total areas under both forest and tree crops such as Oil palm & Rubber, it is **over 70%**
- ☐ Under the Federal Constitution, forest and land is under the jurisdiction of the respective State Governments
- ☐ Total forested area (2015):
  - Permanent Reserved Forest (PRF) : 14.55 million ha
  - State land forest (SL) : 1.86 million ha
  - Protected areas : 1.86 million ha
  - **Total forested areas : 18.27 million ha**
- ☐ Malaysia is committed to implement Sustainable Forest Management (SFM)

# Table 1: Forested Areas in Malaysia (1990-2015)

Year	Permanent Reserve Forest (mil ha)	State land Forest (mil ha)	Protected Areas (mil ha)	Total Forested Area (mil ha)	Percentage of forest cover ( % )
1990	12.49	5.23	1.06	18.78	56.9
1991	12.55	5.03	1.13	18.71	56.7
1992	12.50	4.96	1.13	18.59	56.4
1993	12.46	4.98	1.13	18.57	56.3
1994	12.65	4.19	1.13	17.97	54.5
1995	12.61	4.22	1.13	17.96	54.4
1996	14.28	1.99	1.83	18.10	54.9
1997	14.33	2.31	1.83	18.47	56.0
1998	14.33	2.24	1.83	18.40	55.8
1999	14.45	2.16	1.83	18.44	55.9
2000	14.43	1.94	1.83	18.20	55.2
2001	14.44	1.83	1.83	18.10	54.9
2002	14.43	1.78	1.83	18.04	54.7
2003	14.42	1.77	1.83	18.02	54.6
2004	14.40	1.74	1.83	17.97	54.5
2005	14.43	1.52	1.86	17.81	54.0
2006	14.45	1.48	1.86	17.79	53.9
2007	14.42	1.43	1.86	17.71	53.7
2008	14.41	1.41	1.86	17.68	53.6
2009	14.54	1.32	1.86	17.71	53.7
2010	14.53	1.55	1.86	17.93	54.4
2011	14.52	1.55	1.86	17.93	54.4
2012	14.50	1.55	1.86	18.01	54.6
2013	14.55	1.65	1.86	18.06	54.8
2014	14.55	1.86	1.86	18.27	55.4
2015	14.55	1.86	1.86	18.27	55.4

Source: Ministry of Natural Resources & Environment, Malaysia (updated 2016)

**Figure 1: Global Agriculture Land Area And Malaysian Palm Oil**



Malaysia  
Palm Oil Land  
**5.74 million  
hectares**  
(0.11% of Global Agriculture Land)

Global  
Palm Oil Land  
**18.87 million  
hectares**  
0.38%  
of Global Agriculture Land

# THE IMPORTANCE OF PALM OIL INDUSTRY



**Important  
pillar of  
agriculture  
sector**



- ❖ Total planted area 5.74 million ha  
(17% of land area, 52.5% of agriculture land)
- ❖ 40% of oil palm planted areas are under smallholdings
- ❖ Provide income to more than 650,000 smallholders
- ❖ 8.6% of total merchandise export
- ❖ USD16.3 billion of export earnings



**Important  
source of  
employment**

- ❖ More than 2 million job opportunities

**Tool for  
poverty  
eradication**

- ❖ Average monthly gross income of oil palm smallholders in 2016 – RM3,154.06

# A HIGHLY REGULATED INDUSTRY

**Malaysian Palm Oil Industry is subjected to more than 60 regulations**

## **Land Matters:**

- National Land Code 1965
- Land Acquisition Act 1960

## **Environmental Matters:**

- Environmental Land Conservation Act 1960 revised in 1989
- Quality Act 1974 (Environmental Quality) (Prescribed Premises) (Crude Palm Oil) Regulation 1977
- Environmental Quality (Clean Air) Regulation 1978
- Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987

## **Labour and Employees Matters:**

- Labour Law
- Workers' Minimum Standard of Housing & Amenities Act 1990
- Occupational Safety & Health Act 1977
- Factories & Machinery (Noise Exposure) Regulations 1989

## **Pesticide Use:**

- Pesticides Act 1974 (Pesticides Registration) Rules 1988
- Pesticides (Licensing for sale & storage) Rules 1988
- Pesticides (Labeling) Regulations 1984

## **Wildlife Matters:**

- Protection of Wildlife Act 1972



# Malaysia's Commitment at International Level

To name a few, Malaysia is signatories to:

- ☐ Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) [1977]
- ☐ World Heritage Convention [1988]
- ☐ Conservation on Biological Diversity (CBD) [1994]
- ☐ United Nations Framework Convention on Climate Change (UNFCCC) [1994]
- ☐ Convention on Wetland of International Importance especially as Waterfowl Habitat (RAMSAR) Convention [1994]
- ☐ International Tropical Timber Agreement (ITTA – ITTO) [1995]
- ☐ United Nations Forum on Forest (UNFF) [2000]
- ☐ Kyoto Protocol to the UNFCCC (Kyoto Protocol) [2002]
- ☐ Cartagena Protocol on Biosafety to CBD [2003]

## Activities Towards Zero Deforestation

### 1) Certified Forest Areas & Timber Products under Malaysian Timber Certification Scheme (MTCS) : 2001

- ❑ **MTCS** is a forest certification scheme developed & operated by the Malaysian Timber Certification Council (MTCC), a national governing body for timber certification in Malaysia.
- ❑ It provides for independent assessment of forest management practices to ensure the sustainable management of Malaysia's natural forest, forest plantation and community owned forests, as well as to meet the demand for certified timber products.
- ❑ MTCS is the first tropical timber certification scheme to be endorsed by Programme for the Endorsement of Forest Certification (PEFC) in South East Asia region.

## Activities Towards Zero Deforestation

### Certified Forest Areas & Timber Products under MTCS

- ☐ MTCS comprises 2 components, i.e., Forest Management Certification and Chain of Custody Certification
- ☐ Certified forest areas: Under MTCS, 8 Forest Management Units (FMUs) & 2 Forest Plantation Management Units (FPMUs) covering 3.97 million ha and under FSC covering 629,348 ha
- ☐ The certified forest areas represents **13 percent** of the **world's tropical forests** which have been certified.
- ☐ Certified companies: 356 timber manufacturers and exporters
- ☐ MTCS-certified timber products, mainly sawn timber, plywood, mouldings & laminated finger-jointed timber, have been exported to more than 30 major countries particularly to Europe, Australia, Japan, Middle East, New Zealand & USA. India and South Africa have also accepted these timber products.

# Activities Towards Zero Deforestation

## 2) Timber Legality

Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA)

### EU FLEGT Action Plan 2003

To prevent the importation of illegal timber into the EU

To improve the supply of legal timber

To increase demand for timber from responsibly managed forests

EU an established and important market for Malaysia's:

- Timber products such as sawn timber; and
- High value added products such as furniture and joinery

### Voluntary Partnership Agreement (VPA)

To ensure that timber and timber products exported to the EU come from legal sources

To improve governance of the forest sector of timber-exporting countries in accordance to the existing laws, regulations and policies

## Activities Towards Zero Deforestation

### Timber Legality

- ☐ Malaysia started formal negotiation with the EU for the FLEGT VPA in 2007 which aims to guarantee legal timber exported from Malaysia. This will ensure sustained forest areas and eradicate illegal logging and associated timber trade.
- ☐ In support of the European Union Timber Regulation (EUTR) effective 1 March 2013, and pending conclusion for a FLEGT VPA, Peninsular Malaysia implemented Timber Legality Assurance System designated as MYTLAS, purely as Malaysia's own initiative since 1 February 2013.
- ☐ As of **November 2017**, a total of **54,368 MYTLAS licences** has been issued by MTIB (Licensing Authority) for the EU market.
- ☐ Since July 2017, under MYTLAS, it is compulsory for importers of timber and timber products into Malaysia to submit one out of 6 legality documents from exporting countries.

## Activities Towards Zero Deforestation

### Timber Legality

#### Timber Import Legality Requirement

**COMPULSORY** for importers to submit any one of the legality documents from exporting country into Malaysia as follows:

- FLEGT licence; or
- Certificate issued by a recognized timber certification bodies; or
- Certificate of Voluntary Legality Scheme; or
- Any legality document issued by recognized Agency / Corporation / Association; or
- Self-declaration documents by the exporter with endorsement by the authorities of the exporting country; or
- Copy of the Customs Declaration from exporting countries.

# Activities Towards Zero Deforestation

## 3) Clean Development Mechanism (CDM): 2002

- ☐ CDM: One of the three market mechanisms established by the Kyoto Protocol since 2002. The CDM is designed to promote sustainable development in developing countries and assist Annex I Parties in meeting their greenhouse gas emissions reduction commitments.
- ☐ It enables industrialized countries to invest in emission reduction projects in developing countries and receive credits for reduction achieved.
- ☐ Malaysia voluntarily participate in globally reducing emissions of Green House Gases (GHG). There is 143 Clean Development Mechanism (CDM) projects registered with the CDM Executive Board since 2007. It is 1.9% of the world's CDM project registered.
- ☐ Up to December 2016, Malaysia has generated 10 million tonne credit from the implementation of the CDM. This has resulted an income of USD100million to the developers of CDM.

## Activities Towards Zero Deforestation

### 4) Tree Planting Programme

- ☐ Due to public awareness on environment, both Federal and State governments with NGOs work hand-in-hand to meet environmental responsibilities to green up the environment.
- ☐ During 2010-2017, a total of 20,669,144 mangrove tree species has been planted over an area of 6,938 ha in the mangroves.
- ☐ Up to 2016, a total of 81,678,534 trees has been planted over an area of 102,709 ha involving degraded and open spaces within the Permanent Reserve Forest (PRF)
- ☐ MTIB is also involved in the Greener Earth Programme with TESCO (M) in promoting public awareness on the importance of protecting our environment. To date a total of 200,000 Karas (*Aqualaria spp.*) trees have been planted in several sites in Pen. Malaysia demonstrating an exemplary public – private sector cooperation.
- ☐ Under CITES requirement, MTIB has also registered a total of 117 companies / individuals with a total Karas (*Aqualaria spp.*) plantation area of 1,574 ha and 1.4 million trees.



## Activities Towards Zero Deforestation

### 5) Enforcement Activities by Forestry Department Pen. Malaysia

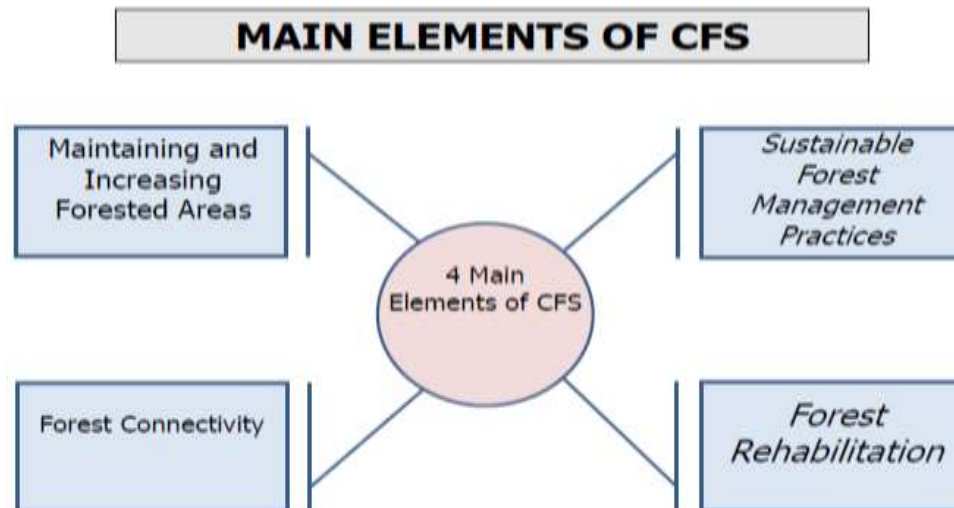
Forestry Department Pen. Malaysia has actively implemented various enforcement activities in order to eradicate illegal encroachment and illegal logging within the PRF. The activities carried out are:

- ☐ Scheduled & integrated forest enforcement activities through the National Blue Ocean Strategy (NBOS) such as 1 Malaysia Biodiversity Enforcement Operation Network (1 MBEON), Centralized Enforcement Team (CET) and Forestry Department Pen. Malaysia (FDPM) Enforcement Elite Team, which are equipped with rugged motorcycle, fire arms & other safety equipment.
- ☐ Monitoring of forest cover through the use of Remote Sensing Plus 5 (FMRS+5) supported by drone, hyperspectral sensor, Geographical Information System (GIS) & Global Positioning System (GPS)
- ☐ Continuous focused monitoring & enforcement activities in hotspot (high risk) & identified illegal logging areas

# Activities Towards Zero Deforestation

## 6) The Central Forest Spine (CFS)

- ❑ Malaysian Government's initiative conceptualized in 2005 under the Physical Plan (NPP) to link up 4 major forest complexes in Peninsular with a network of ecological or green corridors to create one forested wildlife sanctuary.
- ❑ The Government also work together with NGOs such as MyCat, Nature Society (MNS) and WWF in improving the connectivity of CFS



# Activities Towards Zero Deforestation

## 7) Heart of Borneo (HoB)

- ❑ In February 2007, the Governments of Brunei, Indonesia and Malaysia signed a Declaration of Cooperation ; **“Three Countries, One Conservation Vision”**.
- ❑ The HOB Declaration commits the three countries to a common conservation vision to ensure the effective management of forest resources and the creation of a network of protected areas.
- ❑ The HOB, an area of 22.0 million ha of tropical rainforest, across 3 countries



### Purpose of the Corridor:

- To create corridors through well-managed forest management areas and sustainable agriculture land uses
- To form transboundary connected conservation areas that link up protected areas between all three countries
- To facilitate trilateral collaboration that enhances connectivity between protected areas from northern Borneo in Sabah to Southern Borneo through Sarawak and Brunei

## Activities Towards Zero Deforestation

### 8) Forest Plantation Development Programme (FPDP), Malaysian Timber Industrial Board (MTIB): 2005

- ❑ **Government's aspiration** – tree plantations should be private sector driven
- ❑ **The Ministry of Plantation Industries & Commodities (MPIC)** was given an important task by the Cabinet to undertake commercial forest plantation in Malaysia. Forest Plantation Development Sdn. Bhd. (FPDSB) a Special was set up in February, 2006 by the **(MTIB)** to implement the task. 2007.
- ❑ **Provision of soft loans with low interest rate under the Forest Plantations Development Programme (FPDP)** has encouraged more participation of private sectors.
- ❑ **Targeted for development:**
  - ✓ Establishment of **130,000 ha** within 15 years (Rotation age = 15 years)
  - ✓ To attain production **≈ 3 million m<sup>3</sup> /year**
  - ✓ Currently, approximately **70 million** plantation trees planted

## Activities Towards Zero Deforestation

### Forest Plantation Development Programme (FPDP)

❑ Nine species recommended under FPDP are:

- ✓ *Hevea brasiliensis* (**Rubber TLC**)
- ✓ *Acacia mangium* & hybrids (**Acacia**)
- ✓ *Octomeles sumatrana* (**Binuang**)
- ✓ *Azadirachta excelsa* (**Sentang**)
- ✓ *Paraserianthes falcataria* (**Batai**)
- ✓ *Neolamarckia cadamba* (**Kelampayan/Laran**)
- ✓ *Khaya ivorensis* (**African Mahogany**)
- ✓ *Tectona grandis* (**Teak**)
- ✓ Bamboo



3 year-old Hevea plantation



3 year-old Acacia plantation



3 year-old African mahogany plantation

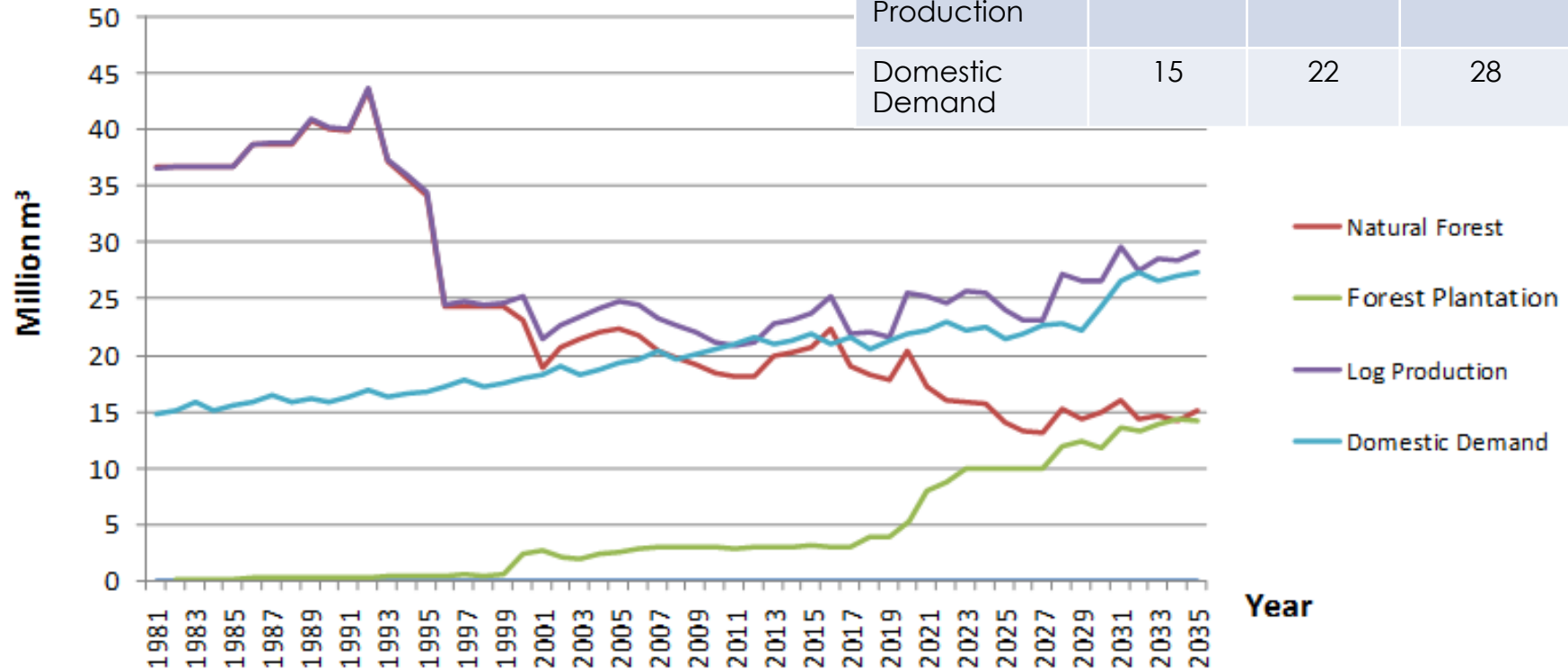
❑ Continuity of FPDP ensures

- improvement in future log supply situation;
- achieve the Nation's target (NATIP) of being self-sufficient in the production of raw materials for the local wood industries;
- reduce pressure towards SFM of Natural Forests.

# PROJECTION OF TIMBER RAW MATERIAL PRODUCTION & DOMESTIC DEMAND FOR TIMBER INDUSTRY

(1981 - 2035)

	2008 (Mil m3)	2021 (Mil m3)	2035 (Mil m3)
Natural Forest	20	18	14
Forest Plantation	2	8	15
Total Log Production	22	26	29
Domestic Demand	15	22	28



## TOTAL AREA PLANTED UNDER FPDP

REGION	LOAN VALUE (RM)	AREA APPROVED (HA)	TOTAL PROGRESS (HA)	PROGRESS (HA)						
				RUBBER	ACACIA	LARAN	BATAI	BINUANG	AFRICAN MAHOGANY (KHAYA)	TEAK
PENINSULAR MALAYSIA	470,622,806.23	58,688.77	56,980.60	53,980.60	2500.00	500.00	-		-	-
SABAH	287,905,493.08	29,154.01	28,751.02	25,101.26	1,995.76	500.00	500.00	654.00	-	-
SARAWAK	93,053,570.76	29,500.00	29,500.00	818	19,892	3,200.00	-	-	-	-
TOTAL	851,581,870.07	117,342.78	115,231.62	79,899.86	24,387.76	4,200.00	6,090.00	654.00	-	-

Source : FPDSB as at September 2017



# Challenges in Carrying Out Zero Deforestation

Financial  
implications

National/state  
development  
policy

Stakeholders  
commitment

Sustainability  
vs  
development

Enforcement  
challenges

Public  
awareness



# Conclusion

- ❑ Malaysia is among leading tropical countries that managed to retain forests covering more than 50% of her land area, while still remaining one of major producers of timber and timber-related products – balanced development.
- ❑ This is congruent with the pledge made in Rio Earth Summit in 1992 and Conference of Parties (COP) in Copenhagen 2009.
- ❑ Malaysia has demonstrated that sustainable management of forests and controlled conversion of forest to non-forest land area, coupled with reforestation activities through the establishment forest plantations, can help optimise land-use change, retained significant forest coverage in the country.
- ❑ It also enhances the existing forest carbon stocks and simultaneously creating new carbon sinks in the form of forest plantations.



# THANK YOU

ありがとうございました

Arigatōgozaimashita

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# TOTAL AREA APPROVED UNDER FPDP

