Transforming Forestry Practices

Lush tropical forests cover much of Sabah, a Malaysian state located in northern Borneo. While Orangutans swing through the trees above, clouded leopards, sun bears, and Sumatran rhinos all make their homes in the forest floor below. Sharing these forests and the resources they provide are the 2.4 million residents of Sabah, over a million of which are members of indigenous communities. Many of these residents depend on healthy forests for their daily subsistence and economic survival.

For many years the economic benefits associated with forest clearing outweighed the long-term benefits of the responsible use of these natural resources. As a result, an increase in illegal and irresponsible logging threatened the forests of Sabah. Consequently, forests continue to fall, important habitats shrink and local people realize few benefits. This situation makes the need for a different path toward the future more critical than ever.

The Global Forest & Trade Network (GFTN) is working with the Sabah Forestry Department (SFD) to reverse this destructive trajectory. The GFTN helps the SFD advance responsible and ultimately credibly certified forest management through on-the-ground, technical assistance with an extensive understanding of the local context and the structured framework needed to address the ecological and social requirements of certification. GFTN facilitates an increase in market demand for responsibly produced forest products to create an incentive for forest managers to obtain credible certification.

Achieving credible certification, such as Forest Stewardship Council (FSC), poses new challenges for forest managers who are often unfamiliar with the requirements, technical specifications and economic needs associated with certification.

To overcome these challenges, GFTN-Malaysia provides forest managers with a structured framework and tools to work with as well as hands-on technical support.
The Sabah Situation

The Sabah Forestry Department faces an issue common to resource-dependent countries, the need for economic development and sustainable resources management. Sabah has strong economic ties to the timber industry, which provides both employment and government revenue. In 1989, the SFD recognized that illegal and irresponsible logging practices were threatening the long-term capacity of their forest resources, and ultimately, the economy of the state. This realization led SFD to produce responsible forest management plans for their concessions.

Making the commitment to change practices that have been in place for decades is one of the most important steps toward social responsibility. Implementing that commitment is often where many governments and companies run into problems. In the late 1980s, the SFD began to shift their forestry practices, turning to WWF-Malaysia for technical assistance. In 1997 SFD’s forest concession, Deramakot was Forest Stewardship Council (FSC) certified and certification was renewed in 2008 making it the longest continuously certified rainforest under the FSC scheme. Successful outcomes from working with WWF led SFD to work with GFTN-Malaysia to adopt a stepwise approach to achieving credible certification for all of SFD’s concessions. In 2007 SFD committed 50,000 ha to credible certification and expanded that commitment in 2008 to their Ulu Segama-Malua forest reserve, covering 236,000 ha. The Ulu Segama-Malua forest reserves are largely covered by the lowland mixed dipterocarp forest, one of the most endangered forest ecosystems.

“With the vast experience from the management of FSC-certified Deramakot forest reserve, SFD would like to prove our commitment of sustainable forest management to the world. We strongly believe that the certification could bring balance between economic development, environmental protection and social benefits,” said its director Datuk Sam Mannan.

Achieving Credible Certification via a Stepwise Approach

One of the seemingly basic, but truly complex questions that SFD struggled to answer was “To log?” or “Not to log?”. Making an informed decision about appropriate logging practice involves an assessment of forests to identify areas of greatest ecological and social value (High Conservation Value Forests or HCVF). With the assistance of GFTN-Malaysia, SFD found that its concessions had an area of forest that was home to one third of Sabah’s orangutan population. From the assessment, SFD made the decision to protect this critical orangutan habitat, with the knowledge that they could practice responsible forestry in other areas of their forest concession.
GFTN-Malaysia has also supported SFD in overcoming other common challenges, such as engaging local and indigenous people in the process of forest management decision-making. While social aspects of certification requirements are considered highly important, many forest managers are often not accustomed to involving local communities or providing forums for dialogue and feedback. Tackling this challenge, GFTN-Malaysia assisted SFD in developing the Forest Management and Certification Awareness project.

This project provided information about the process and benefits of certification to local communities, created a venue for comment and communication as well as encouraged discussion between local community members and SFD. This programme encourages the local Orang Sungai community to participate in forest management and forest certification in Sabah's Mangkuwagu Forest Reserve. Working alongside them, SFD is strengthening this community's socioeconomic well-being by promoting social justice and providing equitable access to the forests they inhabit.

SFD Director Datuk Sam Mannan commented on how this approach alleviates encroachments on forest reserves occupied by indigenous communities, saying, "We believe meaningful involvement of local communities is the most effective long-term approach to addressing the ongoing problems of deforestation and land degradation." The programme empowers the community to take ownership and initiative in these shared forests through the development of a committee of Orang Sungai representatives that works closely with SFD on local forestry matters. Similarly, by conducting a social impact assessment and leading workshops in local schools and communities, the youth, men and women of these villages are learning the value of responsible forest management.

This is of vital importance to the Orang Sungai, as their livelihoods depend on the river and forests that surround their homes. A recent study conducted by the UNDP found that incidences of poverty among the Orang Sungai are some of the highest in Malaysia, with over 41 per cent of the community living below the poverty line. By balancing human needs with environmental conservation in this isolated forest community, this holistic approach has opened a new chapter in sustainable forest management. With support from the SFD, alternative livelihoods—such as rubber tree cultivation—can be developed through community forestry projects. The resulting improvement in lifestyle promises better opportunities for local children, increasing their awareness of the importance of conservation while preserving their identity as Orang Sungai.

**Forest Dependent Species**

**Orangutan**

**Scientific Name:** Pongo spp

**Population:** 48,500

**Habitat:** Tropical and Subtropical Moist Broadleaf Forests

**Ecological Region:** Borneo Lowland and Montane Forests

**Background:** The lowland forest habitats of this red “man of the forest” are fast disappearing under the chainsaw, or being burned deliberately to make way for agriculture and oil palm plantations. Unless these unique great apes are conserved in well-managed, secure protected areas, and in wider forest landscapes connected by corridors, they may well be facing extinction in the wild.

This will require a broad based approach, not only by providing protection for orangutan populations, but also by fighting to prevent destruction of the species’ forest habitat. Although some populations live inside protected areas, illegal logging still takes place within these areas and hence remains a major threat to the survival of this species.
A History of Success and a Plan for the Future

The GFTN’s work with SFD has helped forest managers overcome common barriers to certification and challenges in transforming forestry practices in Malaysia. As a conservation organization, the GFTN has effectively raised the awareness of protecting valuable habitat. Socially, the GFTN has increased local community involvement in forest management and promoted alternative livelihoods. Economically, the GFTN has worked to connect SFD with international buyers to demonstrate the market demand for certified forest products in an effort to increase the economic incentive to pursue credible certification.

Today, reflecting WWF’s conservation goals, SFD is demonstrating commitment to responsible forest management. Despite the success with SFD, further challenges still lay ahead for the GFTN. The costs associated with credible certification prevent forest management units leased to the private sector by SFD from mirroring this forestry style. Today, GFTN-Malaysia is aggressively working to recreate SFD’s success with regional timber companies leasing forest areas from SFD to promote credible forest certification. Furthermore, the GFTN continues to create stronger market demand for responsible forest management and credibly certified products, creating incentives to overcome the resistance to certification and the economic barriers facing private forest managers.

The GFTN’s work is creating mutually beneficial solutions for the timber industry, governments, local people and ecosystems in valuable and threatened forests in places like Sabah. In working along supply chains, the GFTN helps to increase the demand of certified products while helping forest managers work towards certification. Although there are still challenges to be faced, the progress and successes to date hold promise of a more viable future as responsible forest management and trade gains traction in Sabah.