

ASSESSMENT OF POLICIES ON NON-TIMBER FOREST PRODUCTS



Country Study: Malaysia

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CONTENTS

- 1** Executive summary
- 2** Introduction
- 3** Assessment of policy & regulatory environment on non-timber forest products (NTFPs)
- 4** Methodology
- 5** Findings
- 6** Key stakeholders and institutional actors
- 7** Recommendations
- 8** Annex

EXECUTIVE SUMMARY

National policies and the supporting regulations recognise the existence of NTFPs. However, management of these resources lacks closer attention suggesting that awareness of the value and potential of these resources is extremely low among the relevant policy makers.

In the meantime, forest products are being extracted and the lack of official data indicates that the exploitation is not registered and regulated which could result in overexploitation and even loss of government's revenue.

For example, wild honey is prevalent in the market place both in the rural and urban areas but national data does not provide any information. In the case of Peninsular Malaysia, NTFPs are lumped together under other forest products. It is unclear if the relevant authorities at the districts and states level actually record and quantify the extraction, let alone collect any fees or royalties.

Dawn in Sarawak forest

Photo: Cayce, Malaysia, distributed under a CC BY 3.0 license



Similarly, the lack of data applies to the two main NTFPs that received the most attention – rattan and bamboo – for their utilization as secondary materials for the downstream timber industry.

This shortcoming in the regulatory framework has been identified by the National Biological Diversity Policy (2016-2025) where it has proposed for the development of mechanisms to value NTFPs so that the resources can be incorporated into national accounting systems and forest management practices. As this policy applies to all 3 regions in Malaysia, it could be a useful policy for the development and management of NTFPs for the country.

(National accounting system refers to the GDP and there were some quarters calling for the inclusion of the concept of payment for ecosystem services to be factored into the GDP accounting.)

In addition, the new forest policy of Sabah clearly noted the need to identify NTFPs with commercial value and is expected to provide a clearer management framework in the near future.

Although Malaysia is a member of the ASEAN which has active discussion on social forestry and NTFPs, the lack of clear national policies illustrating a major disconnect with its commitment at the regional level.

INTRODUCTION

In 2014, Malaysia has a forest area of 18.277 million hectares or approximately 55.3% of the total land area of Malaysia (33.0345 mil. ha). This included permanent reserved forest (PRFs), state land forests and totally protected areas, which constitute the management framework for the forestry sector in the country. However, due to the constitutional arrangements, forests are under the jurisdiction of the states.

The phrase or terminology of non-timber forest products (NTFP) is little known to ordinary Malaysians. Apart from raw timber materials, other natural resources with economic values from the forests are simply regarded as forest produce.

However, in the regulatory environment (government policies, regulations and laws) NTFPs first appeared in the National Forestry Policy 1992 and more recently, given prominence in a sub-national forestry policy.

Although the state of Sabah appears to be in the forefront of social forestry, it has to be noted that the focus is on watershed management, benefits from eco-tourism and even rubber plantation but almost no attention paid to NTFPs judging from the annual reports of the Sabah Forestry Department.



View of the crocker mountain ranges from a place in the west of Mount Kinabalu, Sabah
Photo: CEphoto, Uwe Aranas



ASSESSMENT OF POLICY & REGULATORY ENVIRONMENT ON NON-TIMBER FOREST PRODUCTS (NTFPs)

Several key policies and legislations pertaining to forests, biological diversity and agriculture provided for the management and by default protection and potential future development of these raw materials. Below is a list of the relevant policies and legislations:

A. National Forestry Act 1984 (Incorporating all amendments up to 1 January, 2006)

This law provides for the administration, management and conservation of forests and forestry development within the 11 states of the Peninsular Malaysia and all 3 Federal Territories. From the scientific aspect, forest types in Peninsular Malaysia are divided into inland forests (93%), referring to lowland forests; mangrove forests (2%), and peatswamp forests (5%), where harvesting activities are permitted.

From the administrative aspect, PRFs are designated by states and legally secured through a state gazette to be managed under the sustainable forest management system which determined the annual allowable cuts. Under the PRF, forests are divided into four main functions: production forests, protected forests, recreational forests and research & educational forests. The closest 'forest type' to communal forests would be Orang Asli Reserves or the occasional recreational forests that are adopted by local communities with active participation in its management.

Woman IP member harvesting rattan
Photo: NTFP-EP Malaysia



NTFPs are covered by the provisions that govern the management of permanent reserved forests (PRFs) and state land forests through license, minor license, use permit and removal pass. License refers to taking of produce from PRFs and state land in relation to timber harvesting which must be supported by a harvesting plan. Minor license is for the harvesting of not more than 70 cubic metres of major forest products (round logs, poles, fuelwood, charcoal and rattan) or any minor produce (all other produce that are not included as major forest produce) in PRFs and state land. Use permit is a document that allows for the occupation and activities within a PRF. A removal pass is needed to remove any products from alienated land, mining land, Temporary occupation land and reserved land (including local councils and private land for purpose of traceability at the industry downstream side). It defines forest produce as guano, peat, rock, seasand, riversand, seashells, shells, climbers, creepers and grasses, silk, cocoons, honey, wax, edible bird's nests, charcoal, rubber, wood oil, bark, extracts of bark and damar.

B. National Forestry Policy 1978 (Revised 1992)

In this nine-page document, the policy is mainly centered to provide support and development for the timber industry. In relation to NTFPs, one point was highlighted, to 'increase the output of non-timber forest produce through scientific and sustainable management practices to support local and related industries demands' with special mention of rattan and bamboo. The policy also mentions the inclusion of the local community in forestry activities in particular planted forest and recreational or tourism related activities. This policy is currently under review.

C. National Policy on Biological Diversity (2016-2025)

It provides the direction and framework for conservation and sustainable use of biodiversity which includes NTFPs. It forms the country's response to the Convention on Biological Diversity's Strategic Plan for Biodiversity 2011-2020. It has 5 goals and 17 targets. The policy acknowledges the intricate relationship between biodiversity and traditional knowledge in reference to the utilisation of plant-based medicines as well as increasing the sustainability of such utilisation (Goal 1, Target 2)

Goal 1, Target 2: By 2025, the contributions of indigenous peoples and local communities, civil society and the private sector to the conservation and sustainable utilisation of biodiversity have increased significantly.

Under **Goal 2, Target 3**, it sets out to provide an accurate valuation of biodiversity and ecosystem services to enable informed decision-making and promote societal behavioural change. Towards this end, it aims to 'develop mechanisms to value non-timber forest resources and the environmental services provided by forests and other ecosystems so that these can be incorporated into national accounting systems and forest management practices'.

D. National Timber Industry Policy (2006-2020)

This policy focuses on rattan and bamboo which are regarded as supportive raw materials for the downstream timber industry development. It noted that there are no official statistics on the stock availability on these two resources thus proposed for a comprehensive survey on the availability of these resources be undertaken to assess their potential as non-wood timber products. It also called for a survey on the cottage industries using bamboo and rattan as raw materials to uplift their status as well as to meet the demand for such products including identification and promotion of niche markets especially for the furniture and floorings subsectors.



Rattan weavers
Photo: NTFP-EP
Malaysia

E. National Agriculture Policy (1998-2010)

This policy covered timber-related matters prior to the separation of food production and industrial crops into two different policy documents in 2011: The National Agrofood Policy (2011-2020) and the National Commodities Policy (2011-2020).

Similar to the National Timber Industry Policy, it noted the potential of bamboo and rattan to be further developed to exploit the expanding international and domestic demands. It encouraged the involvement of the private sector in degraded forests, idle and abandoned land as well as integrating the cultivation of rattan and bamboo with other crops to maximise land utilisation and returns via agroforestry programmes. It touched on improvement of planting materials, production and processing technologies through intensification of R&D efforts and the adoption of new technologies.



Rattan weaver showing a sample of bukui she made
Photo: NTFP-EP
Malaysia

F. National Agrofood Policy (2011-2020)

This policy focused on food production. However, food sources from the forests were not explored or examined at all.

G. National Commodities Policy (2011-2020)

This policy continues the emphasis on rattan and bamboo as alternative raw materials through R&D and industrial plantation of these two resources to boost supplies. Agarwood was included (for the first time) as new sources of growth where emphasis was given to development of plantation and technologies for effective extraction and development of agarwood-based products. It also touched on establishment of standard grading mechanism.

H. Forestry Statistics of Peninsular Malaysia

This is a handbook published annually by the Forestry Department of Peninsular Malaysia as reference for forestry-related data. The data included royalty rates from bamboo and rattan according to states but there is no data on the revenue and thus impossible to assess the economic values of these resources.

I. Sarawak Forest Ordinance 2015

It is an Ordinance to provide for the protection and management of forests in Sarawak and to regulate the taking of forest produce. NTFPs are covered by the provi-

sions that govern the management of forest reserves, communal forests, state land forests, protected forests and government reserves through a license.

Under communal forests, any member of the native community may remove, free of royalty or fee, any forest produce for his own use and not for sale, barter or profit with authorisation by the state forestry director or any officers authorized by him/her. It defined forest produce as guano, peat, rock, seashell and surface soil; trees and all parts and produce plants, grass, climbers, creepers, tusks, horns, silk cocoon, honey, wax, and edible bird nests; timber, firewood, charcoal, bark, wild rubber and cordwood.

J. Sabah Forest Enactment 1968 (incorporating all amendments up to 2016)

This legislation provides for the preservation of forests and the regulation and control of dealings in forest produce. Sabah uses a 'class' approach to name the different forest type for administrative purposes.

Class I – Protection Forest: Maintenance of forest essential on climatic or physical grounds; **Class II – Commercial Forest:** : For supply of timber and other produce to meet the general demands of trade; **Class III – Domestic Forest:** For supply of timber and other produce for local consumption; **Class IV – Amenity Forest:** For local amenity and arboretum work; **Class V – Mangrove Forest:** For supply of mangrove timber or other produce to meet the general demands of trade and for ecotourism activities; **Class VI – Virgin Jungle Reserve:** For forest research purpose; and **Class VII – Wildlife Reserve:** For protection of wildlife.

NTFPs are covered by the provisions that govern the management of forest reserves, state land and alienated land forests through a licensing system. Forest produce is defined as timber, firewood, charcoal, rubber, wood oil, bark, extracts of bark, copal, damar and atap, silk, cocoons, honey, wax and carbon stored in trees or plants.

K. Sabah Forest Policy 2018

This latest sub-national policy replaced the previous policy of 1954. It contains seven thrusts and 21 objectives. Under Thrust 4 on Economic Well-being, one of its objectives is to explore alternative revenue sources from NTFPs. It aims to optimise utilisation of NTFPs by identifying forest species with potential commercial value, to develop technology for commercializing NTFPs and to explore potential market for NTFP.

KEY STAKEHOLDERS AND INSTITUTIONAL ACTORS

Agencies and institutions involved in NTFP development and management

AGENCY/STAKEHOLDER	ROLE IN NTFP DEVELOPMENT AND MANAGEMENT
State Forestry Department	These state agencies are responsible for the management and policy-making in the forestry sector.
State Economic Planning Unit	It sets the strategic direction of economic activities in the state and is involved in budget planning and allocation of state funds.
Forest Research Institute of Malaysia	A statutory body governed by the Malaysian Forestry Research and Development Board under the Ministry of Water, Lands and Natural Resources. It conducts research on forestry-related matters.
Forestry Department of Peninsular Malaysia	An agency under the Ministry of Water, Lands and Natural Resources responsible for the management, planning, protection and development of the Permanent Reserved Forests in accordance with the National Forestry Policy 1992 and the National Forestry Act 1984. It is also responsible for the formulation of forestry policies, providing technical advice and assistance to the 11 state forestry departments in the peninsula with regards to forest planning, management and development, forest harvesting and wood-based industries, forest operational studies as well as training and human resource development.
Wildlife Departments of Peninsular Malaysia Sabah and Sarawak Forestry Corporation	Manages the functions of the Forests Ordinance 1958, National Parks and Nature Reserve Ordinance 1998 and Wildlife Protection Ordinance 1998
Malaysian Timber Industry Board	A statutory body under the Ministry of Primary Industries to promote and coordinate the overall development of the timber industry by providing technical, marketing, standards development to ensure continued growth. It is also in-charge of regulating the trade in forest products for Peninsular Malaysia through a licensing system.
Sarawak Timber Industry Development Corporation	An agency under the state government that regulates the development of the downstream timber industry including export*. <i>*Trade regulatory functions of the downstream timber industry of Sabah is regulated by the Sabah Forestry Department.</i>

RECOMMENDATIONS

1. Engagement with the authorities to raise awareness is key for the development of a robust policy environment to support the management and regulatory framework of NTFPs in this country.
2. Management strategies would require sound assessment of the status of the resources. Therefore, data segregation should be incorporated into existing data collection systems to facilitate long-term management plan.
3. The absence of policy on community or social forestry provide for an opportunity to incorporate NTFPs into a comprehensive social forestry programme with participation of indigenous communities who are the custodians of traditional knowledge on the utilities of NTFPs.
4. As several key national policies are approaching the end of their respective implementation timeframes, it is timely to intervene now to bring the issues and challenges of NTFPs to the forefront.

Assessment of the policies and regulations on NTFPs in Malaysia (through SWOT)

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
<p>Community access to NTFPs for harvest, utilization, production and management</p>	<p>a. In Peninsular Malaysia, NTFPs are covered by the provisions that govern the management of permanent reserved forests (PRFs) and state land forests through license, minor license, use permit and removal pass. In practice, these legal requirements are loosely enforced on indigenous communities.</p> <p>b. In Sabah, Class III (Domestic forest) permits for harvest and utilisation for personal use.</p> <p>c. In Sarawak, native communities are allowed to access NTFPs for own use and exchange with authorisation from the Forestry Department. However, this provision is not strictly enforced or impossible to enforce especially on plant species.</p> <p>d. If R&D on NTFPs ventured into the realm of genetics, the Access to Biological Resources and Benefit-sharing Act 2017 will apply. Benefits from the commercialisation and other utilisation of such products that are derived from communities' traditional knowledge and practices would be shared fairly and equitably.</p>	<p>a. Though NTFPs' importance is enshrined in key forestry policies in Peninsular Malaysia, there's no attention paid to their utilisation by indigenous communities in terms of ensuring their unhindered and sustainable access and harvest in the long term</p> <p>b. In Sabah, Class III (Domestic forest) discourage commercial utilisation which could hinder potential community-driven economic development</p> <p>c. Sabah Forest Policy (2018) ambitions on NTFPs is silent on community participation in terms of utilisation and management</p> <p>d. In Sarawak, commercial utilisation of NTFPs within communal forests is legally prohibited. However, there is no specific or detailed policy or legislation governing utilisation and management of NTFPs in Sarawak.</p> <p>e. Despite the expressed intention to exploit the potential of NTFPs (both Peninsula Malaysia and Sabah) there is no dedicated infrastructural support to further enhance the potentials.</p>	<p>a. The National Policy on Biological Resources (2016-2025) provides the direction and framework for conservation and sustainable use of biodiversity which includes NTFPs and the involvement of indigenous communities.</p> <p>b. On-going discussion and development of social forestry from regional efforts via the Asean Working Group on Social Forestry could be the policy entry point.</p> <p>c. In Sabah, the Sabah Social Forestry working group formed by Sabah Forestry Department and CSOs could be the catalyst for a social forestry programme.</p> <p>d. In Sarawak, the Social Forestry Department could assist in expanding the potential of social forestry.</p>	<p>a. Lack of enforcement despite legal protection through various licensing and permit systems, resulting in competition with outsiders who often do not practice sustainable collection</p> <p>b. Potential risks from states' ambitious commercialisation plans if states do not honour the principle of equitable sharing.</p> <p>c. Low awareness of communities in terms of sustainability practices could lead to resource depletion.</p>

CRITERIA	STRENGTHS	WEAKNESSES	OPPORTUNITIES	GAPS & THREATS
Transport and trade	<p>a. The National Forestry Policy 1978 (Revised 1992 and currently under fresh review) aims to 'increase the output of non-timber forest produce through scientific and sustainable management practices to support local and related industries demands'.</p> <p>b. Sabah Forest Policy (2018) aims to optimise utilisation of NTFPs by identifying forest species with potential commercial value, to develop technology for commercialising NTFPs and to explore potential market for NTFP</p>	<p>a. Despite the expressed intention to exploit the potential of NTFPs (both Peninsula Malaysia and Sabah) there is no dedicated infrastructural support to further enhance the potentials.</p>		<p>a. Potential risks from states' ambitious commercialisation plans if states do not give equal weight to resource management to ensure sustainability of the trade.</p>
Recognition and protection of indigenous knowledge, systems and practices on NTFPs use and management	<p>a. The National Policy on Biological Resources (2016-2025) provides the direction and framework for conservation and sustainable use of biodiversity which includes NTFPs and the involvement of indigenous communities.</p> <p>b. The National Policy on Biological Resources (2016-2025) also acknowledges the intricate relationship between biodiversity and traditional knowledge in reference to the utilisation of plant-based medicines as well as increasing the sustainability of such utilisation (Goal 1, Target 2)</p>	<p>a. In general, weaknesses remain on the recognition of indigenous rights on their land and access to forest resources.</p> <p>b. In Sarawak, dispute over Native Customary Rights remains a big barrier towards the involvement of indigenous communities in the utilisation, management and develop the potential of NTFPs.</p>	<p>a. By 2025, the National Policy on Biological Resources (2016-2025) aims to increase significantly</p> <p>b. The contributions of indigenous peoples and local communities, civil society and the private sector to the conservation and sustainable utilisation of biodiversity (Goal 1, Target 2).</p>	

