

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Deramakot Forest Reserve (FMU 19A)	<b>Reference #</b>	GFSSBH 003-203a
<b>Contact Person</b>	Datuk Frederick Kugan (Chief Conservator of Forests) Johnny Kissing (DFO Deramakot)	<b>Date of Report</b> <b>Date of close out</b>	23/06/2023 25/08/2023
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement	GFS 181 LVS		
Issuance Date	28 August 2023	Expiration Date	25 June 2024

Assessment Details	
Assessment Dates	19 - 23 June 2023
Scope of Assessment	Sabah TLAS P1-4: Deramakot Forest Reserve (FMU19A)
Species	<i>Dryobalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Selangang Batu, Red seraya, Yellow seraya, Urat Mata, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Sapotaceae</i> spp. (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum</i> spp. (Perupok), <i>Terminalia subspathulata</i> (Talisai), Myristicaceae (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Hopea</i> spp. (Gagil), <i>Pterocymbium javanicum</i> (Teletto), <i>Prerospermum</i> (Bayor), <i>Dyera</i> spp. (Jelutong), <i>Dialium indum</i> (KerANJI), Annonaceae (Pisang-pisang), <i>Camptosperma auriculatum</i> (Terentang), <i>Anisoptera</i> spp. (Pengiran), <i>Cratoxylum</i> spp. (Geronggang), <i>Endospermum diadenum</i> (Sendok – Sendok), <i>Tristanopsis merguensis</i> (Pelawan-pelawan), and other timbers (OT)
Lead Assessor	Priera Bagang
Assessor(s)	-
SFD Staff	Charlene Billy (SFM-HQ), Johnny Kissing (DFO Deramakot), Edward Thomas (ADFO Deramakot), Azny Hj Ahmad (ADFO Deramakot), Ibno Hajal Hj Othman (ADFO Deramakot), Hazlyine Jali, Wann Huslianisah Usaini, Santi Bt Rosli, Musrin Kasan, Affeadrey A. Deavis, Ali Hussein Majid, Masley Poumin, Kabir Bin Kabrin, Christopher Yam Haw Siang, Dianne Grace, Sharifah Nur Shafiqah, Siti Hafizah, Rosanita, Karim Bin Likop, Teddy Michael, Jeslee Clement, Ronny Apin, Roddin Bin Dilim, Ibno Hajal Hj. Othman

**OBJECTIVES:**

- The objective of this checklist is to verify compliance to the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 for Sabah dated November 2020 (SFD-TLAS-002).
- Compliance is defined when all applicable criteria are observed to be compliant. A Minor Gap to any indicator does not constitute non-compliance to a criterion. A Major Gap to any applicable indicator does reflect non-compliance to a criterion. Compliance for a criterion where multiple minor gaps are identified in indicators under the criterion may reflect non-compliance to the criterion.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the agreement.

## Summary Information

**Overview of Licensee:**

- Deramakot Forest Reserve is a logged-over Class II Commercial Forest Reserve located in the central part of Sabah, within the Forest Management Unit (FMU) 19A. It covers an area of approximately 55,507 ha, represents 2.5% of the Commercial Forest Reserves in Sabah. Deramakot Forest Reserve is one of the Commercial Forest Reserves directly managed by the Sabah Forestry Department (SFD).
- In 1997, Deramakot Forest Reserve became the world's first tropical forest to be certified as a well-managed forest under the gold standard of the FSC, of which, the SFD was closely audited by the third-party auditor, SGS (Malaysia) Sdn. Bhd.. The re-certification covered the period between October 31, 2014, and October 30, 2019 (4<sup>th</sup> FSC Certification), making Deramakot Forest Reserve the longest continuously certified tropical rainforest in the world to be certified under the FSC scheme.
- The management of Deramakot Forest Reserve has been an evolving process, beginning with a high research component in collaboration with the German Agency for Technical Cooperation (GTZ), which ended in 2000. The initial or 1<sup>st</sup> FMP (1995 – 2004) focused primarily on timber management and protection of wildlife and watershed. In the pursuit of SFM and further guidance on forest management in Deramakot Forest Reserve that can balance the ecological, economic and social functions, the 2<sup>nd</sup> 10-Year Forest Management Plan (2005 – 2014) was formulated by incorporating new knowledge and reflected changing management philosophies and biodiversity and cultural values. Throughout the 2<sup>nd</sup> FMP period, the SFD continued to implement all activities in accordance with the plan, based on sustained yields and full integration of social and ecological conditions by strictly following the FSC principles.
- The current planning effort - a 3<sup>rd</sup> FMP (2015 – 2024), has evolved into an ecosystem management-based approach. In ecosystem management, the overarching goal of forest sustainability, in turn, assures the array of resources, uses, and values for current and future generations.
- The logging operation inside the Deramakot Forest Reserve is adopting the Reduced Impact Logging (RIL) harvesting system. The SFD has appointed Projadi Sdn. Bhd. [Ref.#: JPHTN/PPA(S): 100-0/8/2/JILID.6/6 dated 18/07/2022] as the contractor with a RIL Logging certificate FD/CON/RIL(102)2023 that will lapse on 20/02/2024.
- Whereas the Comprehensive Harvest Plan (CHP) is solely developed by the SFD Deramakot office itself.
- Generally, all forestry activities inside the Deramakot Forest Reserve are controlled and implemented by the SFD Deramakot office.

**Current Operations:**

- Deramakot Forest Reserve's area comprises approximately 55,507 ha and is further subdivided into 136 compartments. 19 compartments were designated for Conservation, 117 for timber production and 2 sub-compartments for community forestry (i.e., 109A & 109B).
- As of the assessment, Projadi Sdn. Bhd. is currently conducting RIL harvesting at Compartment 66A with a 1<sup>st</sup> quarter 2023 log production at 147.68m<sup>3</sup>.
- All timber harvesting inside the Deramakot Forest Reserve follows the RIL guidelines specified

in the approved FMP schedule.

- The current CHP preparation is at Compartment 105 and is expected to be completed by the end of the year 2023.
- Land use classification:

Land classification	3 <sup>rd</sup> FMP Area (ha)	Current Status (ha)
Total Concession Area	55,507	55,507
Gross Production Area	49,941.70	49,941.70
Conservation	5,548.60	5,548.60
Community Forestry	16.70	16.70
Net Production Area	41,571.90	41,571.90
- Permanent infrastructure	(921.00)	(921.00)
- Riparian Reserves	(204.70)	(204.70)
- Steep slope >25°	(4,067.40)	(4,067.40)
- HCVs	(3,176.70)	(3,176.70)

### Environmental Context:

- The natural vegetation of Deramakot Forest Reserve was affected by past timber extraction activities of conventional logging before the introduction of sustainable forest management and implementation of Reduced impact Logging (RIL). Forest fires in the northern and southern parts of Deramakot Forest Reserve occurred due to the significant drought events in 1982/1983 had degenerated a portion of the old-growth forest into secondary vegetation.
- Deramakot FR consists mostly of Low Mixed Dipterocarp Forest that is estimated as 51,908 ha or 93% of the total area. The Dipterocarp tree family dominates the forest with at up to 60% of the total tree density and basal area. The dipterocarps are also well represented in most canopy layers in the forest, i.e., the upper, middle storey and under storey canopies. The tree families Lauraceae, Alveaceae, Euphorbiaceae and Anacardiaceae represent other important groups of trees.
- The main canopy of Low Mixed Dipterocarp Forest consists of mature trees with diameters of >50 cm and can attain heights to about 50–60 m. The common trees found in this canopy layer are *Parashorea malaanonan*, *Dipterocarpus garcilis*, *Dryobalanops lanceolata*, *Hopea wyatt-smithii*, *Shorea fallax*, *Shorea johorensis*, *Shorea parvifolia*, *Shorea superba* from the family Dipterocarpaceae, *Durio grandiflorus*, *Pentace adenophora*, *Scaphium* spp. from the tree family Malvaceae, *Eusideroxylon zwagerii* (Lauraceae), *Instia palembanica* (Leguminosae), *Koordersiodendron pinnatum* (Anacardiaceae), *Tejmanniodendron simplicifolium* (Lamiaceae), and *Mezzettia* sp. (Annonaceae).
- The middle storey forest structure consists of trees with a diameter range of 20–40 cm reach up to 40m in height. Mid story canopy includes main canopy trees, as well as other medium sized mature trees, such as, *Parashorea tomentella*, *Shorea atrinervosa*, *Shorea gibbosa*, *Shorea ovalis*, *Shorea pilosa* and *Shorea smithiana* (Dipterocarpaceae), *Diospyros frutescens*, *Diospyros macrophylla* and *Diospyros tuberculata* (Ebenaceae), *Macaranga* spp., *Mallotus* spp (Euphorbiaceae), *Diplodiscus parviflorus*, *Pentace laxiflora* (Malvaceae), *Artocarpus kemando* and *Ficus racemosa* (Moraceae), *Lithocarpus* spp (Fagaceae), *Tejmanniodendron pteropodum* (Lamiaceae), *Hydnocarus woodii* (Achariaceae), *Barringtonia scortechinii* (Lecythidaceae), *Dialium indum* (Leguminosae), *Aglaiia* spp. (Meliaceae), *Neolamarckia cadamba* (Rubiaceae), *Nephelium mangayi* (Sapindaceae), *Madhuca malaccensis* (Sapotaceae) and *Quassia borneensis* (Simaroubaceae).
- The understorey includes trees found in the main and mid canopy layers, in addition to understorey trees with diameters of <20 cm. Common trees in this understorey canopy are *Aglaiia* spp., *Aglaiia simplicifolia*, *Aglaiia edulis*, *Chisocheton* spp and *Dysoxylum* spp. (Meliaceae), *Mallotus peltatus*, *Mallotus korthalsii* and *Aporosa* spp (Euphorbiaceae), *Knema laurina* and *Horsfieldia* spp. (Myristicaceae), *Litsea* spp (Lauraceae), *Hopea nervosa* (Dipterocarpaceae), *Rinorea bengalensis* (Violaceae), *Urophyllum arboreum* (Rubiaceae), *Streblus macrophyllus* (Moraceae), *Microcos* spp. (Malvaceae), *Garcinia* spp. (Clusiaceae), *Fordia splendidissima*

(Leguminosae), *Dillenia excelsa* (Dilleniaceae), *Cubilia cubili* (Sapindaceae) and *Arthropphyllum diversifolium* (Araliaceae).

- Kerangas Forest covers about 2,100 ha or 4% of the Deramakot Forest Reserve area that are dominated by dipterocarps. Other important tree families include Apocynaceae, Myrtaceae, Rubiaceae and Hypericaceae.
- Originally, the Lowland Seasonal Freshwater Swamp Forest covered an estimated 1,469 ha or 2% of the total area. This particular forest formation is found in the floodplain area in the southern part of the reserve along the Kinabatangan River and has been logged in the past. Large secondary trees from the family Malvaceae and Euphorbiaceae dominate the forest. This forest could have tree density and basal area of 488–588 individuals/ha and 22–28 m<sup>2</sup>.
- Secondary vegetation developed after severe disturbance events, such as very disruptive timber extraction in the past or forest fires. In open areas, vines or woody climbers such as, *Croton cordata* (Euphorbiaceae), *Merremia* spp. (Convolvulaceae), *Smilax borneensis* (Melastomataceae), and *Uncaria* spp. (Rubiaceae), scramble on the ground or smother many other secondary plants. The regenerating trees are mostly pole- and medium-sized pioneer trees that are usually established in clumps. The common secondary trees are *Macaranga pearsonii* (Euphorbiaceae), *Neolamarckia cadamba* (Rubiaceae), *Callicarpa farinosa* (Verbenaceae), *Pterospermum elongatum* (Sterculiaceae), *Duabanga moluccana* (Sonneratiaceae) and *Octomeles sumatrana* (Datiscaceae). A number of secondary treelets, namely, *Fagraea cuspidata* (Loganiaceae), *Ficus septica* (Moraceae), *Leea indica* (Leeaceae), *Melicope lunan-kenda* (Rutaceae), *Dillenia orientalis* (Dilleniaceae), *Callicarpa longifolia* (Verbenaceae), *Pternandra* spp. (Melastomataceae), *Homalanthus populneus* and *Glochidion* spp., from the family Euphorbiaceae are also found to establish in the matrix of secondary vegetation.
- In previously burnt areas that are fertile and contain high moisture content, a ginger member, *Etilingera brevilabrum*, established dense thickets. The invasive nature of the ginger growth and establishment potentially enables it to outcompete other regenerating secondary plant species respectively.
- Surveys documented that Deramakot Forest Reserve harbours a remarkable mammal diversity. About 75% of mammals in Sabah can be found in Deramakot Forest Reserve, including six of the seven terrestrial Totally Protected Species under the Sabah Wildlife Conservation Enactment (WCE) 1997, namely Orang Utan, Bornean Pygmy Elephant, Sun Bear, Clouded Leopard, Tembadau and Proboscis Monkey, which was recorded by Matsubayashi et al. (2005). Based on the 2<sup>nd</sup> FMP, it was reported that there were at least 75 species of mammals (excluding bats), 220 species of birds and over 100 species of reptiles, amphibians and fish were recorded in Deramakot Forest Reserve. At least nine medium to large mammal species (including sub-species) recorded in Deramakot Forest Reserve (Matsubayashi et al., 2005 and SFD, 2011) are endemic, namely Red Leaf Monkey (*Presbytis rubicunda*), Bornean Gibbon (*Hylobates muelleri*), Proboscis Monkey (*Nasalis larvatus*), Orang Utan (*Pongo pygmaeus morio*), Thick-spined Porcupine (*Thecurus crassispinus*), Bornean Pygmy Elephant (*Elephas maximus borneensis*), Bornean Yellow Muntjac (*Muntiacus atherodes*), Clouded Leopard (*Neofelis diardi borneensis*) and Bay Cat (*Pardofelis badia*). Small carnivore diversity found in Deramakot Forest Reserve includes the Leopard cat, Marbled cat, Malay badger, Yellow-throated marten, several species of Civet, Smooth otters and the Hairy nosed otter (*Lutra sumatrana*), which was encountered in 2008 by camera traps. In addition, the Four-striped Ground Squirrel (*Lariscus hosei*) is a Bornean endemic small mammal that was recorded in Deramakot Forest Reserve (Mannan et al. 2003).
- Most of the designated HCVs overlap with each other. The designated HCVs areas are summarized below:

HCV Category	HCV area (ha)	Conservation (ha)	Production (ha)	Community (ha)
HCV 1.2	54,033	3,730	50,297	6
HCV 1.3	55,507	3,733	51,756	18
HCV 2	55,507	0	0	0
HCV 3a	47,360	0	0	18
HCV 3b	3,576	2	3,562	18
HCV 4.1	255	0	255	12
HCV 4.2	3,850	334	3,416	0
HCV 4.3	1,760	160	1,582	18

- In 2014, the SFD formally requested an exemption from the Environmental Impact Assessment (EIA) study for logging activities inside the Deramakot Forest Reserve (Ref# JPHTN/PP(S) 00-1/1/1/ (KLT.34)/13 dated 18/06/2014) through the Chief Conservator of Forests to the Environmental Protection Department (EPD) office. Subsequently, on 02/07/2017, the Director of EPD, in conjunction with Section 36 of the Environmental Protection Enactment 2002, approved the request [Ref.#: JPAS(S)/PK/100-1/1 KLT.7 (11)].

### Social Context:

- The Deramakot Forest Reserve underwent a Social Impact Assessment (SIA) in July 2013, conducted by Global Forestry Services, focusing on the local communities near the forest reserve.
- The SIA Team, comprised of staff from the SFD and Global Forestry Services, utilized an SIA survey checklist to examine the potential social impacts of forestry operations in the Deramakot Forest Reserve and to mitigate any adverse effects on individuals, groups, and communities.
- The list of local communities identified as below:

Village name	Location
Kg. Balat	N05°19'17.8", E117°36'56.1"
Kg. Desa Permai	N05°13'58.8", E117°29'38.3"
Kg. Tulang-Tulang	N05°15'04.1", E117°29'43.0"
Kg. Kuamut	N05°13'23.8", E117°29'16.0"

- The SIA identified several potential impacts to the local communities;

Activities	Potential impacts	Risk	Remarks
Hunting	Illegal poaching of wildlife	Medium	Villagers and local communities often engage in hunting and can easily enter.
Water supply	Gravity fed pipping for water supply from the licensed area	High	Kg. Balat water gravity pipe fed at Compartment 109.

- Based on the SIA and FMP, no land dispute has been identified inside the Deramakot Forest Reserve. However, there was an old Durian orchard planted in Compartment 88. The SFD Deramakot office formally recognized the old orchard and granted permission to collect fruits while protecting the area from logging activities.
- According to the FMP, approximately 16.70 hectares have been designated for community forestry in Compartment 109.

### Scope of Assessment

- The scope of the evaluation is to verify compliance of **Deramakot Forest Reserve** with the **Forest Management Plan** for FMU19A.
- The assessment is in accordance on the terms of the agreement for the "Sabah Legality Standard Principles 1 - 4 dated November 2020 (**SFD-TLAS-002**).
- Site evaluation to verify and report the level of compliance by SFD Deramakot and contractors to the standard in respect to each of the criteria within this report.
- Compliance is defined when the auditee demonstrates that the indicators consist of none or only minor gaps against any applicable criteria of the standard. Non-compliance to the Sabah Legality Standard occurs when the auditee does not demonstrate adequate compliance to a criterion.

### Itinerary & Mandays: FMU 19A / Deramakot Forest Reserve / Deramakot District / 19 - 23 June 2023 (Total Mandays = 7)

Date	Activity	GFS Staff	Mandays
19 June 2023 Monday	Travelling to SFD Deramakot office and opening meeting. Overnight at Deramakot basecamp.	Priera Bagang	1
20 June 2023 Tuesday	Field visit to compartment 66A, Buffer zones, harvest trees, logyard and SKTs.	Priera Bagang	1
21 June 2023 Wednesday	Social evaluation; Kg. Balat. Campsite assessment, Projadi Sdn. Bhd.	Priera Bagang	1
22 June 2023 Thursday	Document review.	Priera Bagang	1

23 June 2023 Friday	Document review. Closing meeting and travel to homebase.	Priera Bagang	1
24-25 June 2023	Reporting GFSSBH 003-203	Dr Kevin Grace, Priera Bagang	2
<b>Total</b>			<b>7</b>

### Highlights of Assessment

**(Major Gaps = 1; Minor Gaps = 1; Observations = 2)**

**August 2023: (Major Gaps = 0; Minor Gaps = 1; Observations = 2)**

**Deramakot Forest Reserve** has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance was addressed under Criterion 2.3 during the close-out on 25 August 2023.

Summary of status of operations by **Principle**:

**Principle 1.**

Deramakot Forest Reserve is a logged-over Class II Commercial Forest Reserve and located in the central part of Sabah, which is within the Forest Management Unit (FMU) 19A. It covers an area of approximately 55,507 ha. Deramakot Forest Reserve is one of the Commercial Forest Reserves directly managed by the SFD.

All forestry activities inside the forest reserve are strictly based on the approved FMP schedule and AWP approval.

In 2014, the SFD formally requested an exemption from the Environmental Impact Assessment (EIA) study for logging activities inside the Deramakot Forest Reserve [Ref.#: JPHTN/PP(S) 00-1/1/1/(KLT.34)/13 dated 18/06/2014] through the Chief Conservator of Forests to the Environmental Protection Department (EPD) office. Subsequently, on 02/07/2017, the Director of EPD, in conjunction with Section 36 of the Environmental Protection Enactment 2002, approved the request [Ref.#: JPAS(S)/PK/100-1/1 KLT.7 (11)].

**June 2023: Observation 001-2023 - Checklist 1.3.2.2**

The current approved FMP did not identify the forest quality for Deramakot Forest Reserve based on the SFD standard of forest stratification.

**June 2023: Observation 002-2023 - Checklist 1.7.3, 2.1.13**

Inconsistent marking of stream buffer zone on the ground.

**Principle 2.**

Deramakot Forest Reserve demonstrated compliance with the harvesting requirements. All timber harvesting is in accordance with the RIL guideline standard.

**June 2023: Gap 001/2023 (minor) - Checklist 2.1.12**

No evidence that the Director of Wildlife department has been notified regarding RIL harvesting activities inside the Deramakot Forest Reserve.

**June 2023: Gap 002/2023 (Major) - Checklist 2.3.1, 2.3.5**

No evidence of SOCSO registration and contribution, JTK license, and work permits for workers under Projadi Sdn. Bhd.

**August 2023: Gap 002/2023 (Major) - Closed**

SFD issued warning letters and suspended the contract with Projadi Sdn. Bhd due to non-compliance with the contract conditions [Ref.#: JPHTN/KKH(S) 400-0/2/JILID 15/36 dated 21/08/2023].

**Principle 3.**

Records of applicable payments to the government is maintained and available.

However, in line with the findings from the Audit Negara, Deramakot Forest Reserve is required to construct an OP for the appointed contractor, Projadi Sdn. Bhd.

Since the logging contractor is appointed through a government tender, the DFO Deramakot has requested the Chief Conservator of Forests to exempt the fees for OP which is pending feedback (Ref.#: JPHTN/DFR700-2/10/JILID.1/20 dated 04/04/2024 & JPHTN/DFR700-2/10/JILID.1/17 dated 03/04/2023).

**Principle 4.**

### Highlights of Assessment

The Deramakot Forest Reserve underwent a Social Impact Assessment (SIA) in July 2013, conducted by Global Forestry Services, focusing on the local communities near the forest reserve. Based on the SIA and FMP, no land dispute has been identified inside the Deramakot Forest Reserve. However, there was an old Durian orchard planted in Compartment 88. The SFD Deramakot office formally recognized the old orchard and granted permission to collect fruits while protecting the area from logging activities. According to the FMP, approximately 16.70 hectares have been designated for community forestry in Compartment 109.

SFD holds meetings with each community annually and maintains records of issues discussed.

### Summary Results:

(Major gap = 1, Minor gap = 1, Observation = 2)

August 2023: (Major Gaps = 0; Minor Gaps = 1; Observations = 2)

Gap raised against indicators & criteria during the June 2023 assessment.

GAP	Type	Checklist	Status	Description
001/2023	minor	2.1.12	New	<b>June 2023:</b> No evidence that the Director of Wildlife department has been notified regarding RIL harvesting activities inside the Deramakot Forest Reserve.
002/2023	Major	2.3.1 2.3.5	Closed	<b>June 2023:</b> No evidence of SOCSO registration and contribution, JTK license, and work permits for workers under Projadi Sdn. Bhd as required. <b>August 2023:</b> SFD issued warning letters and suspended the contract with Projadi Sdn. Bhd due to non-compliance with the contract conditions [Ref. #: JPHTN /KKH(S) 400-0/2/JILID 15/36 dated 21/08/2023].

Observation raised against indicators & criteria during the June 2023 assessment.

Obs #	Checklist	Description
001-2023	1.3.2.2	<b>June 2023:</b> The current approved FMP did not identify the forest quality for Deramakot Forest Reserve based on the SFD standard of forest stratification.
002-2023	1.7.3 2.1.13	<b>June 2023:</b> Inconsistent marking of stream buffer zone on the ground.

Highlights of Close Out Visit (if applicable)	Dates	25 August 2023
The Major Gap <b>002/2023</b> is now closed following the document submission to the GFS team. SFD issued warning letters and suspended the contract with Projadi Sdn. Bhd due to non-compliance with the contract conditions [Ref. #: JPHTN/KKH(S) 400-0/2/JILID 15/36 dated 21/08/2023].		

### Recommendations

**Deramakot Forest Reserve** has demonstrated compliance with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance was addressed under Criterion 2.3 and is eligible to receive a GFS Statement of Compliance or a Sabah TLAS Compliance Certificate from SFD.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:

**Gap 001/2023 (minor) - Checklist 2.1.12:** SFD shall notify the Director of Wildlife Department regarding harvesting operation inside the Deramakot Forest Reserve.

**Observation 001-2023 – Checklist 1.3.2.2:** SFD shall revise the current FMP to include forest quality

assessment by strata for the Deramakot Forest Reserve area.

**Observation 002-2023 - Checklist 1.7.3, 2.1.13:** SFD shall ensure all stream buffer zones are clearly marked and identified on the ground.

The next annual surveillance audit will be scheduled for June 2024.

**End of Summary Report**