

Kuamut Rainforest Conservation Project

EXECUTIVE SUMMARY:
SECOND MONITORING REPORT (1ST JANUARY 2022, TO 31 DECEMBER 2023)



Project Overview

Project Title: Kuamut Rainforest Conservation Project
Project ID: 2609
Report ID: KRCP_MR_2
Project Location: Malaysia, Sabah
Project Proponent(s): Permian Malaysia Sdn. Bhd

Overview

The Kuamut Rainforest Conservation Project (KRCP) is a comprehensive initiative aimed at sustainable land use through forest conservation, promoting natural regeneration, and improving livelihood opportunities for local communities in Sabah, Malaysia. The project spans an area of 83,381 hectares and operates under a 30-year GHG accounting and crediting period from December 11, 2015, to December 31, 2045. This report covers the monitoring period from 1 January 2022, to 31 December 2023.

Key Achievements

Forest Protection and Legal Conversion:

- The project has legally converted 83,381 hectares of land into a Class 1 Forest reserve, thereby designating it as a protected conservation area. This process involved two significant phases: 69,454 hectares were protected starting December 2015, and an additional 13,927 hectares were included in December 2016.
- Establishment of guard posts at key access points and conducting regular patrols, including helicopter patrols and field visits, to monitor and protect the area from illegal activities.

Conservation of Biodiversity:

- The improved protection status of the project area has led to the avoidance of logging and other disturbances, allowing wildlife to recover. This has benefited both the existing biodiversity and the wildlife in surrounding protected areas, facilitating species dispersal and genetic diversity.
- The Kuamut rainforest's importance as a biodiversity corridor has been validated through several landscape-scale and state-wide ecological studies conducted during this reporting period.

Community Employment and Training:

- The project has employed 40 individuals in various roles related to management, implementation, and monitoring of project activities. This includes eight staff members dedicated to regular patrols to prevent illegal logging and poaching.
- The project aims to employ at least 40 full-time employees by the end of its lifetime, with a goal of 50% female participation.
- Training programs have been conducted to enhance the skills and knowledge of community members, benefiting 167 people during the monitoring period. These programs cover diverse areas such as accounts and management, organic agricultural skills, food processing, entrepreneurship, handicraft making, and community-based ecotourism.

Protection of Rare, Threatened, and Endangered (RTE) Flora:

- Surveys conducted by Permian Malaysia in 2022 and subsequent years identified 29 RTE tree species within the project area. These include two critically endangered, 11 endangered, and 16 vulnerable species.
- The project's intervention has ensured the full protection of these species by preventing logging and other anthropogenic disturbances.

Fauna Habitat Protection:

- The project has safeguarded habitats for several endangered species, including Bornean orangutans, Bornean elephants, and helmeted hornbills. Protection and recovery efforts have resulted in significant benefits for these species.

Community Health, Education, and Livelihood Improvement:

- The project has undertaken activities that improve health services, education, job creation, and entrepreneurship opportunities for local communities.
- Health services have been improved for 486, people while access to energy and clean water has been increased for many households.
- Education initiatives have included various training programs that have benefited 115 community members. The project aims to improve the well-being of at least 900 people by the end of its lifetime.

GHG Emission Reductions:

- The project has achieved a net estimated emission reduction of 1,838,124.1 tCO₂e during the monitoring period. This significant reduction contributes directly to global climate change mitigation efforts.

Support for UN Sustainable Development Goals (SDGs):

The Kuamut Project supports multiple UN SDGs, including no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, decent work and economic growth, industry innovation and infrastructure, sustainable cities and communities, responsible consumption and production, climate action, and life on land.



Project Implementation and Monitoring

The project utilizes a combination of field surveys and remote sensing technologies to monitor forest regrowth, enforce protection measures, and manage risks. Community engagement follows the Free, Prior, and Informed Consent (FPIC) process, ensuring local participation, transparency, and benefit-sharing. Key implementation activities include:

Forest Protection:

- Establishing guard posts and conducting regular patrols to prevent illegal logging and poaching.
- Utilizing remote sensing data to monitor forest canopy changes and detect potential deforestation activities.

Biodiversity Monitoring:

- Compiling and assessing information from various biodiversity-related studies and management activities.
- Conducting regular biodiversity assessments and monitoring to ensure the protection of critical habitats and species.

Community Engagement and Livelihood Improvement:

- Implementing the FPIC process through community consultations and engagements to identify relevant communities and establish baseline conditions.
- Developing a Community Work and Monitoring Plan to guide project implementation and ensure alignment with project goals, needs, and international standards.

Capacity Building and Training:

- Providing training programs to enhance the skills and knowledge of community members, focusing on sustainable agricultural practices, entrepreneurship, and other livelihood activities.
- Supporting local education initiatives and improving access to health services and clean water.

Risk Management and Mitigation

The project addresses natural and human-induced risks through comprehensive protection, enforcement measures, and community involvement. Key strategies include:

Natural Risk Mitigation:

- Implementing measures to protect and restore natural ecosystems, making them more resilient to natural disturbances such as fires, pests, and extreme weather events.

Human-Induced Risk Mitigation:

- Conducting regular patrols and monitoring to prevent illegal logging and poaching.
- Engaging local communities in project activities to ensure long-term support and reduce the risk of human-induced impacts.

Leakage and Non-Permanence Risk Management:

- Monitoring and managing leakage risks due to activity shifting and market leakage.
- Analyzing non-permanence risk factors and implementing mitigation measures to ensure the long-term sustainability of project benefits.

Financial and Legal Compliance

Permian Malaysia Sdn. Bhd. operates with secure investment financing and generates revenue through the sale of verified carbon units (VCUs). The project is financially sustainable and complies with all relevant national and local laws. Key aspects include:

Financial Health:

- The project is supported by secure investment financing and derives revenue from the sale of VCUs, ensuring the implementation of all project activities.

Legal Compliance:

- The project operates in full compliance with Sabah and Malaysia's laws, setting an example of best practice with respect to employment terms, conditions, and practices.
- There are no ongoing disputes over land and resources in the project area, and the project is not aware of any legal or regulatory changes that impact its activities.

Anti-Corruption Measures:

- Implementing strict financial management practices, including routine internal and independent external audits, to prevent corruption and unethical behavior.
- Maintaining a non-corruption policy that prohibits bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion.

Community and Stakeholder Engagement

The project places a strong emphasis on community and stakeholder engagement, ensuring transparency, participation, and benefit-sharing. Key activities include:

Stakeholder Access to Information:

- Disseminating summary project documents and conducting informational meetings to keep stakeholders informed about project activities and developments.

Community Consultations and FPIC:

- Conducting community consultations and engagements to gather input, address concerns, and ensure community consent for project activities.
- Establishing a Community Executive Committee to represent community voices and facilitate communication with the project team.

Grievance Redress Mechanism:

- Implementing a grievance redress mechanism to address any conflicts or grievances that may arise during project implementation.
- Ensuring that grievances are communicated, reviewed, and responded to promptly, with mediation by neutral third parties if necessary.

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