Establishment of Partnership between Prosper Palm Oil Mill Sdn Bhd and Global Environment Centre to establish a Recovery Project in Selangor, Malaysia

5 April 2020 (revised May 2021)

Prosper Palm Oil Mill Sdn Bhd (Prosper) is a medium-sized Malaysian-owned player in the oil palm sector with a total of 10 palm oil mills and 20,000 ha of oil palm plantations in Malaysia. In 2018, it recognised the need to address issues arising from an investment by a major shareholder of Prosper (Tee Family) in the development of oil palm plantations in Papua New Guinea (PNG) that led to significant deforestation in the Bewani Oil Palm Plantation Limited (BOPPL) project covering about 10,000ha over the period 1 January 2016 to 1st February 2019. In early 2019, the shareholder divested their holdings of the PNG project, but acknowledged that they retain some responsibility for addressing the impact of the forest loss in BOPPL and liability to the NDPE commitment. Subsequently, Prosper adopted an NDPE Sustainable Palm Oil Policy, modified related internal procedures and initiated a process to develop a recovery project to make a positive contribution to forest conservation.

In March 2020, Prosper established a partnership with the Global Environment Centre (GEC) (www.gec.org.my), a Malaysian Non-profit organisation with more than 20 years' experience in peatland and forest conservation and restoration throughout Southeast Asia. Through this partnership, Prosper is financing a Recovery Project in the form of a long-term conservation initiative to be undertaken by GEC in a portion of the North Selangor Peat Swamp Forest (NSPSF) in Selangor State, Malaysia. NSPSF is one of the largest contiguous peat swamp forests remaining in Malaysia, covering 81,000ha (larger than Singapore). This area is of global significance for biodiversity conservation and very important for carbon storage and water resource management. Biodiversity includes Tapir, Malayan Sun Bear, Black Panther, False Gharial (freshwater crocodile), hornbills and 124 species of fish including 6 endemic species found no-where else in the world

The project will focus on the long-term protection and rehabilitation of the Bukit Belata (Extension) Forest Reserve (BBEFR) which covers an area of 3,140ha of lowland dipterocarp and peat swamp forest, in the SE portion of the NSPSF. This forest reserve is facing increasing challenges from drainage, fire and degradation linked to development of small-scale plantations and agriculture along its boundary as well as encroachment and drainage within the reserve. More than 350ha[1] of forest and peatland in BBEFR have been degraded by fires, drainage and encroachment in recent years.

The immediate objective of Phase 1 of the project (April 2020- March 2023) is to develop and implement a specific forest and peatland protection and rehabilitation programme for BBEFR with following sub-objectives:

a. To develop a rehabilitation strategy for all the degraded forest and peatland in the BBEFR;
b. To rewet and initiate rehabilitation of at least 200 ha of degraded peatland and forest;
c. To prevent future fires and degradation throughout the BBEFR, in partnership with local communities and stakeholders.

The project will work directly with the targeted local communities at the selected site to establish mechanisms and incentives for their involvement in the conservation and sustainable use of the resource. The project will be managed under the framework of the MoU between GEC and the Selangor State Government (2016-2023) for multi-stakeholder engagement in the protection and rehabilitation of forests in Selangor.

Prosper is committed to support the long-term conservation of the BBEFR and adjacent portions of the NSPSF. By March 2023, and building on the experience of the First Phase, Prosper and GEC will expand the Recovery Project to cover the total target area of 10,000ha with support from Prosper and other stakeholders.

Regular updates on progress will be provided to stakeholders.

[1] Revised based on ground and remote sensing assessments during initial implementation