



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

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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 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 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 plantation and agriculture along its boundary as well as encroachment and drainage within the reserve. More than 1000ha of forest and peatland have been degraded by fires 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 at least 1,000 ha of forest and peatland;
- b. To rewet and rehabilitate at least 200 ha of degraded peatlands and forests;
- c. To prevent future fires and degradation, 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.

Based on the outcome and progress in the First Phase, Prosper will explore options to support additional phases to extend or expand the activities. There is expected to be a second phase based on the deliverables. To make the project a viable and long term prospect, it will also encourage the engagement and involvement of a wide range of, external stakeholders, including government sector, other oil palm companies, palm oil users as well as civil society.

Regular updates will be provided.