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Letter to the Editor

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**States advised to be cautious in entering into deals
in the forestry sector related to climate change**

Sahabat Alam Malaysia (SAM) welcomes the clarification by the Ministry of Natural Resources and Environment (NRE) that the carbon-offset deal signed by the Kelantan State Government with a private company has nothing to do with any United Nations' mechanism.

Minister Dato Sri Dr Wan Junaidi Tuanku Jaafar has clarified that the UN mechanism related to the forestry sector (that was disingenuously referred to by the deal's proponents) does not involve any market-based mechanism as implied in the trading of carbon credits.

We hope the Ministry's media statement reported by BERNAMA on February 16 would clear the confusion caused by the various media articles surrounding the deal that incorrectly state that the deal is linked to the emission reduction mechanism in the forestry sector under the United Nations Framework Convention on Climate Change (UNFCCC) which Malaysia is a Party to.

Currently, in the UNFCCC, there is a mechanism called 'Reducing Emissions from Deforestation and Forest Degradation, and the Role of Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks in Developing Countries', known as REDD-plus, which does not involve any trading of carbon-credits or market-based approaches.

The Minister has affirmed that Malaysia is keen to implement REDD-plus at the national level and is working towards obtaining results-based payments from the Green Climate Fund that will benefit all states, for the conservation of forests and for their sustainable management and use, as this will mean payments in the form of grants to the country.

The clamour for carbon trading and offsets through promoting a market-based mechanism in the forestry sector must be curtailed and halted, or Malaysia will risk losing its credibility in accessing results-based payments for its REDD-plus implementation.

We also note with interest the cautionary tone of the Minister that he hoped the national REDD-plus plan 'would not be jeopardised by unethical activities by certain irresponsible individuals'.

SAM has conducted a preliminary investigation about the company based on its registration with the Companies Commission of Malaysia as well as through information online and as to its physical presence.

Our preliminary investigations raise many concerns regarding the company as to its operations and is indeed very worrying.

SAM therefore calls on the NRE and other relevant authorities to properly investigate and verify the operations of the company before more State Governments unsuspectingly enter into similar deals..

State Governments would likewise be advised to be cautious in entering into deals that are purportedly sanctioned by the UN, and do their due diligence in getting proper information from the NRE, as it is the latter that is the focal point for all climate-change related negotiations and information.

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