



# Sahabat Alam Malaysia

## Friends of the Earth Malaysia

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Letter to the Editor

27 May 2022

### The rush into 'forest carbon credit' will not help address climate change

This is a response to the Sarawak government's most recent amendments to their Land Code and their Forestry Enactment, which mainly concern responses to address climate change.

While we see the need for the Sarawak government to make provisions for regulating the use of land both onshore and offshore for the storage of oil and gas companies in the state as per the Explanatory Statement in the Land Code (Amendment) Bill 2022, Sahabat Alam Malaysia (SAM) fears that the amendments will bring more harm than good.

The rush for 'forest carbon credits' will not help address climate change, and worse, it can also backfire with serious negative impacts.

First, it will not help address climate change when forest carbon credits are being sold in the carbon market and are purchased by big polluters to offset their continued emissions. The science is clear. Carbon dioxide accumulates in the atmosphere for hundreds or thousands of years. As carbon dioxide accumulates, the temperature rises. To stop warming, we have to stop putting carbon dioxide into the atmosphere. Hence, there are controversies over the carbon market, as it allows fossil fuel companies to purchase forests carbon credits while continuing to expand and pollute.

Scientists underscore that there is a fundamental difference between the carbon in trees, plants and soils and emissions from fossil fuels. Carbon uptake in the natural ecosystem is a fast cycle operating on a time frame of hours (e.g., photosynthesis) and days to centuries. For example, soils may store carbon until the field is ploughed or drought or flooding causes the soils to become degraded; forests may store carbon until insect-damage, drought, fire, or any combination of those impacts causes degradation or loss. On the contrary, fossil carbon is effectively a permanent storage. Burning fossil fuels releases the carbon from permanent storage into the atmosphere, leading to the increase of total carbon in land, ocean, and atmosphere.

The International Energy Agency (IEA) said in 2021 that there should be no new oil and natural gas fields in the global net-zero pathway. Based on reports from the Intergovernmental Panel on Climate Change (IPCC) and at the current global emission rates, we only have about 10 years to act at the scale and pace needed to hold the temperature rise to below 1.5 °C compared to the pre-industrial era.

Second, the amendments also reveal a way to allow for artificial carbon sequestration processes as follows.

1. The Land Code (Amendment) includes a new addition for the definition of "carbon storage":  
"carbon storage' means any cavity, well, structure, facility or plant built, installed or maintained on any land, whether on or below the surface, for the purpose of permanent storage, capture retention, dumping or sequestration of carbon dioxide or greenhouse gases of any form or description..."
2. The Land Code (Amendment) to section 231 indicates that there will be carbon storage on foreshore or seabed.  
"(dd) precise location and size of the area to be used for carbon storage and where the land is on the foreshore or the beds of sea within the boundaries of Sarawak as extended by the Sarawak (Alteration of Boundaries) Order in Council..."
3. The Forests (Amendment) Enactment 2022 interpret "carbon sequestration" as:  
"carbon sequestration' means the natural or artificial process (such as planting trees to absorb carbon dioxide) or pumping carbon dioxide into underground reservoirs to reduce and remove carbon dioxide from the atmosphere and to be held in solid or liquid form, thus preventing greenhouse gas build-up in the earth's atmosphere"

Carbon capture and storage (CCS) or any deliberate large-scale intervention in the Earth's climate system is another false climate solution.

Some of the main concerns are that the use of CCS (which is hugely expensive and is in experimental stages) prolongs the use of fossil fuels (often tied with corporate 'net-zero' commitment); the use of pipelines that may damage landscape and environmentally

sensitive areas; the perceived and actual safety of transportation and storage of carbon dioxide i.e. whether the carbon dioxide will leak out of these reservoirs and cause what is known as induced seismicity, etc.

This runs contrary to the urgent call for the rapid phase down of fossil fuel required for the world to stay within the safe limits of 1.5°C temperature increase.

Further, the amendments open the door wide to the participation of corporations and the Sarawak state government in the international voluntary carbon market. One needs to also consider the implications of the Sarawak proposals in relation to the Federal government's ability to implement its targets under its Nationally Determined Contribution (NDC) under the Paris Agreement which includes the forestry sector.

Lastly, there have been countless case studies and examples of how the carbon market will backfire, especially when it comes to the forest carbon credits which involve Native Customary Lands and the implications this has on the rights of indigenous peoples to their lands and forests.

Sarawak has a long history of encroachments on native customary territories driven by monoculture plantations and unsustainable logging activities. But the root cause of the violations of Native Customary Rights (NCR) is systemic governance and legal issues, as a result of the absence of land tenure security. We fear that the new amendments will further exacerbate the NCR violations in Sarawak.

The rush for the carbon market will encourage large-scale tree plantations for forest carbon credits purposes. This may displace rural farming and indigenous communities and will affect the marginalised group that has done little to contribute to climate change. Having a carbon-based target could incentivise the conversion of purported "degraded forests" to large-scale tree plantations. This will lead to the destruction of species-rich ecosystem that have low carbon sequestration value.

One need not look far; the controversial Sabah's Nature Conservation Agreement (NCA) is an example of how rushing into signing a carbon deal without a full assessment and Free, Prior, and Informed Consent (FPIC) of indigenous peoples and local communities can backfire.

Many Carbon Standard Rules including the REDD Plus Finance Framework Draft Protocol in Malaysia have committed, to a certain extent, to safeguard the rights of indigenous peoples and local communities. However, most case studies in other countries reveal the challenges in proper implementation of FPIC to ensure meaningful local decision making and participation. How indigenous and local communities can fairly access REDD Plus benefits is ambiguous.

*(Note: REDD Plus stands for Reducing Emissions from Deforestation and Forest Degradation and the "Plus" refers to the role of conservation, sustainable management of forests and enhancement of forest carbon stocks. It is a global mechanism developed by countries at the United Nations Framework Convention on Climate Change (UNFCCC) that create financial value for the carbon stored in forests. The Malaysian government is also in the progress of developing a REDD Plus Finance Framework in Malaysia.)*

We understand the need to source for funding to protect forests and biodiversity. This is especially crucial for Sarawak given the increase in flooding incidence in recent years due to forests conversion and the changing climate.

The international agreements that Malaysia has signed onto, i.e., the Paris Agreement and the Convention on Biological Diversity, provide financial support for developing countries to pursue forest and biodiversity conservation efforts. The international funds available are the Green Climate Fund, the Adaptation Fund, the Global Environment Facility, and the Special Climate Change Fund.

Malaysia is a developing country and is entitled to receive financial resources to meet our commitments. Sarawak has the real solution to climate change. The role of indigenous peoples and local communities in protecting tropical forests and preserving ecosystems is increasingly recognised around the world. Strengthening the rights of indigenous peoples and the use of their traditional knowledge is vital to preserving forests and biodiversity and also in fighting climate change.

Climate change impacts are increasingly being felt in all regions of the world. The recent floods that hit our country are a stark reminder of climate change. Some of the climate change projections may seem far away, but we are already witnessing today increased temperatures, higher and more frequent rainfalls and extreme events. It will be worse as the years go by and emissions keep rising.

We need real and sound solutions, not false, untested, expensive and controversial solutions that do not address the climate emergency that we are now facing.

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