



### LOW-EMISSION RURAL DEVELOPMENT (LED-R) AT A GLANCE

- Sabah Forestry Department (SFD) adopted the Sustainable Forest Management (SFM) concept & standards in partnership with private sector & local communities (LC) in 1997
- Protected areas increased from 0.9 mil ha (2007) to 1.9 mil ha (2016) under the Heart of Borneo initiative
- Jurisdictional Certification for Palm Oil initiative established in 2015 to certify all plantations by 2025, improve smallholder sustainability & livelihoods
- Good working relationships across government agencies, private sector, NGOs, researchers & LC, in addition to sensible financing models, ensure the effectiveness of policies & new initiatives
- Sabah strives to be internationally known for certified timber & palm oil, promoting forest conservation
- ~900,000 ha (54%) of forests partially or fully certified under FSC & Malaysian Timber Certification Council (MTCC)

#### DRIVERS OF DEFORESTATION

- Large-scale agriculture
- Large scale timber harvest
- Transportation infrastructure

#### AVERAGE ANNUAL EMISSIONS FROM DEFORESTATION AREA

40.63 Mt CO<sub>2</sub> (2010-2016)  
Includes above-ground biomass & below-ground biomass  
73,721 km<sup>2</sup>

#### POPULATION

3,870,000 (2017)

#### HDI

Not available

#### GDP

USD 18.23 billion (2016)

#### GINI

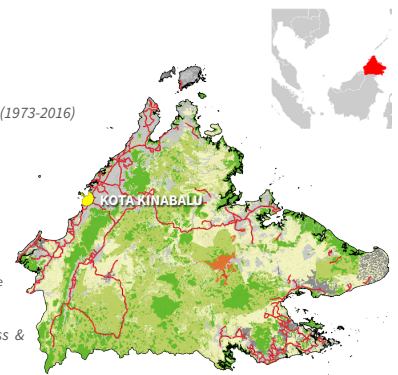
0.404 (2016)

#### MAIN ECONOMIC ACTIVITIES

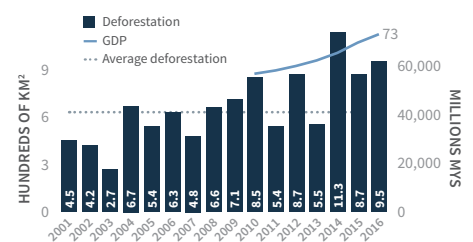
- Services
- Agriculture
- Oil & gas

#### RURAL/URBAN POPULATION

46%/54%



Data sources:  
Socio-economic: Department of Statistics  
Deforestation: Derived from Ministry of Forestry data

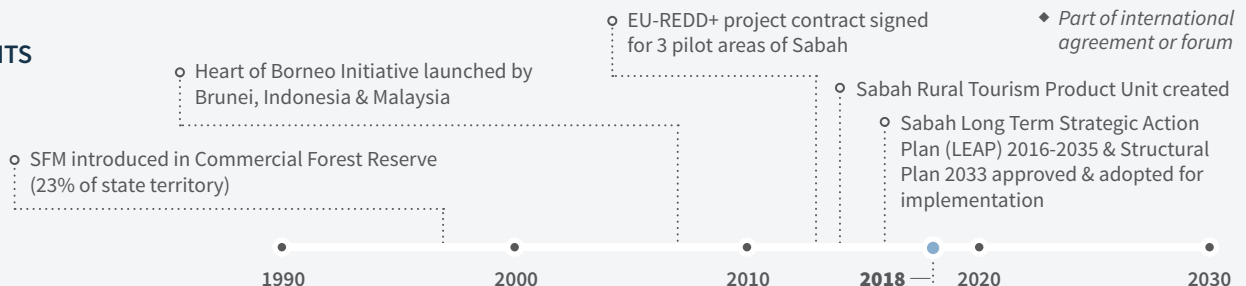


### SPOTLIGHT ON INNOVATION

**Jurisdictional Certification for Palm Oil** is Sabah's commitment to ensure that by 2025, all palm oil produced in the state is certified sustainable according to the standards set by the Roundtable on Sustainable Palm Oil (RSPO). The steering committee consists of five governmental bodies, five civil society organizations and five industry players. The initiative provides new long-term opportunities for Sabah producers – especially smallholders – to access premium markets worldwide, grow local manufacturing and attain a competitive edge. Certification on a jurisdictional level is cost-competitive and enables forest conservation and agricultural productivity to co-exist. Current

progress includes delineation of High Conservation Value and High Carbon Stock areas by Carnegie Airborne Observatory; these areas will be eventually classified under totally protected areas. Cataloguing smallholders' requirements towards RSPO certification, such as training in best management practices and applications for land title to enhance tenure security and Free, Prior, Informed and Consent (FPIC) Guide are under development. Establishing cost effective ways to achieve certification of smallholders and internal tension of the unilateral push for national standards and external tensions such as European Union decision on palm oil imports are key challenges.

#### TIMELINE OF IMPORTANT EVENTS



#### FORMALLY ESTABLISHED COMMITMENTS



<sup>1</sup> Manage 1.67 mil ha of commercial forests with 50–100-year licenses under SFM principles. <sup>2</sup> Contribute to national goal: 50% of total national landmass covered by forest. <sup>3</sup> Contribute to national goal: Reduce GHG emissions intensity of GDP 45% below 2005 levels.

## KEY INTERVENTIONS

DISINCENTIVES ENABLING MEASURES INCENTIVES



1 Ministry of Natural Resources & Environment (NRE). 2 Roundtable on Sustainable Palm Oil (RSPO), WWF. 3 Palm oil companies. 4 Universities. 5 Sabah Forestry Department (SFD). 6 Timber concessionaires. 7 United Nations Development Program-Global Environment Facility. 8 WWF Malaysia. 9 Sabah Tourism Board. 10 Local community associations. 11 Sabah Parks.

## PROGRESS TO JURISDICTIONAL SUSTAINABILITY

EARLY INTERMEDIATE ADVANCED

<b>Integrated LED-R Strategy</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>LEAP aligns all sectors (tourism, agriculture, timber, oil &amp; gas, exports &amp; trading, government) &amp; existing policies in a vision for a sustainable economy</li> </ul>
<b>Spatial plan</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>Sabah Structural Plan provides development guidelines for all relevant sectors (housing, commerce, tourism, agriculture &amp; environmentally vulnerable areas)</li> <li>Representation of all state agencies required in technical &amp; steering committees regarding land use matters</li> </ul>
<b>Performance targets</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>LEAP sets statewide environmental (improving air &amp; marine quality, reducing emissions, &amp; increasing protected areas), social, &amp; economic goals for 2035, endorsed by most public agencies</li> <li>No jurisdictional target set for reducing deforestation in areas zoned for agricultural use</li> </ul>
<b>Monitoring, reporting &amp; verification (MRV)</b>	EARLY	<ul style="list-style-type: none"> <li>3D mapping of forest, carbon stocks &amp; biodiversity recently completed</li> <li>WWF-Malaysia &amp; SFD developed carbon accounting methodologies for REDD+</li> </ul>
<b>Policies &amp; incentives</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>LEAP &amp; Structural Plan coordinate development &amp; conservation programs</li> <li>Majority of state policies aligned with or built on national policies</li> </ul>
<b>Multi-stakeholder governance</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>Multi-stakeholder consultation is integral in all programs &amp; initiatives</li> <li>Good working relationship across a wide range of stakeholders (incl. through "Forever Sabah" forum) ensures ownership &amp; continuity of programs, irrespective of political changes</li> </ul>
<b>Sustainable commodity production</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>100% certification of palm oil &amp; timber in process</li> <li>SFD actively promotes internationally-recognized certification (RSPO, FSC) &amp; provides technical &amp; financial support to producers</li> </ul>
<b>Indigenous peoples &amp; local community rights</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>Communal land title policy introduced recently addresses equity &amp; resource distribution; however, terms &amp; conditions not yet defined</li> <li>SFD resolves land conflicts by swapping high-quality forest outside reserves with community land</li> <li>Partners of Community Organizations in Sabah (PACOS) Trust represents IP in policy discussions &amp; land use planning</li> </ul>
<b>LED-R finance</b>	INTERMEDIATE	<ul style="list-style-type: none"> <li>SFD allocates MYR 1 million (~USD 250,000) towards Jurisdictional Certification for Palm Oil</li> <li>Economic instruments such as green tax, carbon tax, environmental levies, payment for ecosystem services, REDD+ are being developed &amp; legislated</li> </ul>

## CHALLENGES & OPPORTUNITIES

### CHALLENGES

- Inflexibility of international certification requirements on tree plantation (i.e. restrictions on conversion practices) causes frustration & could considerably hamper progress
- Imbalance in services & capacity across government agencies/department
- Lack of funding, human resources, & capacity to carry out & sustain long-term projects
- Potential misunderstanding or lack of clarity in government program implementation
- Potential disruption in continuation of conservation program due to change in leadership
- Lack of transparency in MRV

### OPPORTUNITIES

- Sabah is exploring avenues to mainstreaming green economy, aiming to be the greenest place in Asia in terms of emissions, forest reserves, protected areas in 2035 (LEAP)
- Community-based forestry & ecotourism are potential areas to improve local livelihood & sustainably manage forest reserves

CITATION | N.H.A. Bahar. 2018. "Sabah, Malaysia" in C. Stickler et al. (Eds.), *The State of Jurisdictional Sustainability*. San Francisco, CA: EII; Bogor, Indonesia: CIFOR; Boulder, CO: GCF-TF. COMPLETE REFERENCES & DATA SOURCES PROVIDED AT [www.earthinnovation.org/state-of-jurisdictional-sustainability](http://www.earthinnovation.org/state-of-jurisdictional-sustainability)

### TECHNICAL TEAM



### SUPPORTED BY



based on a decision of the German Bundestag