# GLENEALY PLANTATIONS SDN BHD (3453-X)

# **BELAGA HIGH CARBON STOCK** (HCS) RECOVERY PLAN 1<sup>st</sup> Progress Report

Glenealy Plantations Sdn. Bhd. (GPSB) Belaga, Sarawak, Malaysia

NOVEMBER 2022

Prepared by Malaysian Environmental Consultants (MEC)

Commissioned by Glenealy Plantations Sdn. Bhd. (GPSB)

# FACTSHEET

Date of this report	: 18 <sup>th</sup> November 2022
Task	: Progress Report of the GPSB Belaga Recovery Plan.
Referenced Document	: GPSB Belaga High Carbon Stock (HCS) Recovery Plan.
Date of Reference Document	: May 2021.
Final Outcome of Recovery Plan	: Site-Specific Management Plan for the Recovery Site.
Recovery Project Location	: Belaga, Sarawak, Malaysia.
Centroid of HCS Recovery Site	: 02° 59' 26.8" N, 114° 01' 42.2" E
Project Area	: 3,736.19 ha (GIS Extent)
HCS Liability to Compensate	: 1,853 ha (GIS Extent).
Managed by	: Glenealy Plantations Sdn. Bhd. (GPSB).
In Association With	: Samling Plywood (Lawas) Sdn. Bhd.
Number of Pages	: 43 pages of main report, including maps, figures, charts, tables, and pages of appendices.

# **TABLE OF CONTENTS**

FAC	TSHEE	Ті
TAE	BLE OF	CONTENTS ii
List	of Tab	lesiii
List	of Ma	osiii
List	of Figu	iresiii
List	of Pho	tos iii
List	of Abb	reviationiv
1	INTRO	DDUCTION
1	L.1	Objective of this document
2	A BRI	EF VIEW OF THE RECOVERY PLAN
3	REPO	RTING PROGRESS OF THE BELAGA RECOVERY PLAN9
Э	3.1	Establishment of Belaga HCS Recovery Site
3	3.2	Stakeholder Identification
Э	3.3	Engagement with Samling Plywood (Lawas) Sdn. Bhd15
3	3.4	Building the Onsite Management Team16
Э	3.5	Boundary Demarcation
Э	8.6	Land Cover Mapping – Drone Mapping
Э	3.7	Encroachment Investigation Activities
Э	8.8	Communication and Consultation27
	3.8.1	Initial engagement with stakeholders27
	3.8.2	Stakeholder Consultation - Open Dialogue Session27
Э	8.9	Social Study
Э	3.10	Site Biological Assessment
Э	3.11	Hydrology and Biophysical Assessment
Э	3.12	Carbon Stock Assessment
Э	3.13	Interim Budget
4	END	NOTE
5	APPE	NDIX
5	5.1	Appendix A: Local Community Consultation – Focus Group Discussion Findings

# **List of Tables**

Table 3.1: Interim Management Actions carried out in the Belaga HCS Recovery Site	9
Table 3.2: Progress of specific interim activities undertaken	11
Table 3.3: Belaga HCS Recovery Site Stakeholder List	14
Table 3.4: Belaga HCS Recovery Site Boundary Demarcation Coordinates (Informative Signboards)	17
Table 3.5: Duration and area mapped in phase 1 and phase of the Belaga HCS Recovery Site	20
Table 3.6: Basic information on the longhouses	29
Table 3.7: Dependency towards the Belaga HCS Recovery Site	29
Table 3.8: Local communities' feedback regarding the Belaga HCS Recovery Site	
Table 3.9: Altitude and slope models at the Belaga HCS Recovery Site	35
Table 3.10: Budget for the Recovery Site Management	

# List of Maps

Map 1.1: Location of Belaga HCS Recovery Site in Malaysia	6
Map 1.2: Administrative map of Belaga HCS Recovery Site	7
Map 3.1: Location of the signage installed in Belaga HCS Recovery Site	19
Map 3.2: Phase 1 and 2 block extent for drone mapping	21
Map 3.3: Current progress of drone mapping in the Belaga HCS Recovery Site	22
Map 3.4: Sample of drone images of Belaga HCS Recovery Site taken in Phase 1 and 2	23
Map 3.5: Location of social visit surrounding Belaga HCS Recovery Site	32
Map 3.6: Location of sampling sites for ecology survey, botany plots and camera traps in the Belaga HCS	
Recovery Site	34
Map 3.7: Rivers within and surrounding Belaga HCS Recovery Site	36
Map 3.8: Elevation model within and surrounding Belaga HCS Recovery Site	37
Map 3.9: Slope model within and surrounding Belaga HCS Recovery Site	38

# **List of Figures**

Figure 2.1: Timeline of Interim Actions Conducted	8
Figure 3.1:MoU between GPSB and Samling Plywood (Lawas) Sdn. Bhd	15
Figure 3.2: Belaga HCS Recovery Site Management Committee	16

# **List of Photos**

13
17
18
24
24
25
26
28

# List of Abbreviation

CR	Critically Endangered, IUCN Red list
EN	Endangered, IUCN Red list
FGD	Focus Group Discussion
FMU	Forest Management Unit
GPS	Global Positioning System
GPSB	Glenealy Plantations Sdn. Bhd.
ha	hectare
HCS	High Carbon Stock
IUCN	International Union for Conservation of Nature
MoU	Memorandum of understanding
МРОВ	Malaysia Palm Oil Board
NGO	Non-governmental organization
NDPE	No Deforestation, No Peat, No Exploitation
NTFP	Non-timber forest products
RTE	Rare, Threatened and Endangered
SPSB	Samling Plywood (Lawas) Sdn. Bhd.
t/Ha	Tons per hectare
VU	Vulnerable, IUCN Red list

# **1 INTRODUCTION**

Glenealy Plantations Sdn. Bhd. (GPSB), a subsidiary of the Samling Group is committed towards No Deforestation, No Peat, No Exploitation (NDPE) through its group's policy. The NDPE policy is being implemented in all 6 of its oil palm concessions in Sabah, Sarawak, and Indonesia. With its commitment to this policy, GPSB has identified potential High Carbon Stock (HCS) area loss within all GPSB's oil palm concessions for the period between 1<sup>st</sup> January 2016 (the establishment of the High Carbon Stock Approach organization) to September 2020 (initiation of HCS liability calculation). GPSB declares that its HCS liability between 1<sup>st</sup> January 2016 to September 2020 is 1,853 ha.

The identified liability is compensated in the form of identifying and managing a conservation site, having an area greater than declared HCS loss. GPSB has identified a HCS Recovery Site in Belaga, Kapit, Sarawak and established it in December 2021 (refer Map 1.1 and Map 1.2). This is a project undertaken jointly with Samling Plywood (Lawas) Sdn. Bhd. (SPSB). The site is located within the Sekiwa Forest Management Unit (FMU), formerly known as Paong FMU, in Kapit Division. The total extent of the site is 3,736 ha, approximately twice the HCS liability hectarage and consists of both intact and disturbed ecosystems.

### 1.1 Objective of this document

As part of GPSB's effort to uphold its NDPE Policy, GPSB has declared its HCS area loss and embarked on a recovery planning exercise. Hence, the Belaga HCS Recovery Plan was published in May 2021. From this point, GPSB began implementing interim management activities and planning exercises that were proposed in the Recovery Plan. The objective of this document is to report the progress of the interim actions implemented by GPSB to date.



Map 1.1: Location of Belaga HCS Recovery Site in Malaysia



Map 1.2: Administrative map of Belaga HCS Recovery Site

# **2** A BRIEF VIEW OF THE RECOVERY PLAN

In fulfilling GPSB's commitment towards securing and managing the Belaga HCS Recovery Site, a set of interim actions were established. The interim actions that have been carried out till present are shown in the timeline below (Figure 2.1). These recovery plan activities will be elaborated in detail in Section 3.



#### Figure 2.1: Timeline of Interim Actions Conducted

## **3 REPORTING PROGRESS OF THE BELAGA RECOVERY PLAN**

The following interim actions that were undertaken are summarised in Table 3.1. The table provides a list of specific activities and outcomes.

No.	Interim Core	Specific Activities	Outcome
	Management Focus		
1.	Establishment of Belaga HCS Recovery Site	<ul> <li>Identification of HCS Recovery Site in suitable area.</li> <li>Pre-scoping and desktop study of the area.</li> <li>Formulation of GPSB HCS Recovery Plan.</li> <li>Publishing GPSB HCS Recovery Plan on its website.</li> <li>Establishing the Belaga HCS Recovery Site.</li> </ul>	GPSB Belaga HCS Recovery Plan
2.	Stakeholder Identification	<ul> <li>Identification of stakeholders who are involved in Belaga HCS Recovery Site.</li> <li>Create a stakeholder list.</li> </ul>	Stakeholder list
3.	Engagement with Samling Plywood (Lawas) Sdn. Bhd.	<ul> <li>Establishing memorandum of understanding (MoU) between GPSB and Samling Plywood.</li> </ul>	MoU document
4.	Building the Onsite Management Team	<ul> <li>Formation of the Belaga HCS Recovery Site Steering Committee (Organisation Chart).</li> </ul>	Organisation Chart
5.	Boundary Demarcation	<ul> <li>Initiate accessibility and ground condition assessments.</li> <li>Implementation of boundary demarcation.</li> <li>Designing and fabrication of informative signboards.</li> <li>Installation of informative signboards at key locations.</li> <li>Record GPS coordinate of boundary markers and informative signboard.</li> </ul>	Map of location of boundary markers and signboards and sample of ground photos
6.	Land Cover Mapping	<ul> <li>Belaga HCS Recovery Site drone mapping.</li> <li>Land cover analysis.</li> <li>Forest canopy cover classification.</li> </ul>	Mosaic drone image for the site
7.	Encroachment Investigation Activities	<ul> <li>Identification of encroachment activities within Belaga HCS Recovery Site.</li> <li>Investigation and documentation of encroachment activities.</li> <li>Follow-up on actions taken.</li> <li>Consultation with Sarawak Forest Department.</li> </ul>	Record of investigation report
8.	Communication and Consultation	<ul> <li>Initial stakeholders' communication – engagement letters.</li> <li>Stakeholder consultation planning.</li> <li>Stakeholder consultation - Open Dialogue.</li> </ul>	Records of stakeholder engagement

#### Table 3.1: Interim Management Actions carried out in the Belaga HCS Recovery Site

No.	Interim Core	Specific Activities	Outcome		
	Management Focus				
9.	Social Study	<ul> <li>Data collection on surrounding villages, demography, and customary rights.</li> <li>Identifying dependency of the local communities on the Belaga HCS Recovery Site resources.</li> <li>Local community engagement - Focus Group Discussion (FGD).</li> </ul>	Local community engagement report		
10.	Site Biological Assessment	<ul> <li>1<sup>st</sup> Rapid biological assessment.</li> <li>Inventory of species flora and fauna from field survey.</li> <li>Identification of vegetation types in the Belaga HCS Recovery Site.</li> <li>Identification of Rare, Threatened and Endangered (RTE) and endemic species onsite.</li> <li>Camera trapping and recording of mobile species.</li> <li>Threats assessment – Identification and recording of both potential and current threats to develop a threats mitigation and management action plan.</li> </ul>	<ul> <li>Photographic inventory of identified species</li> <li>Biodiversity assessment</li> </ul>		
11.	Hydrology and Biophysical Assessment	<ul> <li>Data collection on biophysical factors such as rainfall, topography, and hydrology.</li> <li>Mapping of rivers and streams.</li> <li>Developing slope and elevation model of the site.</li> </ul>	Map of rivers, terrain model and steep slopes		
12.	Carbon Stock Assessment Interim Budget	<ul> <li>Carbon stock field assessment to collate primary carbon data.</li> <li>Preliminary carbon stock analysis of the Belaga Recovery Site based field data.</li> <li>Developing management budget.</li> </ul>	Report of preliminary carbon stock assessment Budget planning		

There is a set of 13 interim management actions to ensure that the site management has been initiated and the integrity of the site is maintained. From the social perspective, stakeholder identification and engagement were undertaken. A consultative approach was adopted in trying to understand the local community needs and their capacity to contribute towards conserving the site. Of importance was the rapid biological assessment to determine the conservation potential of the site. To facilitate management planning of the site, a high-resolution mapping exercise was undertaken using a drone. The early formation of the management team was to ensure on-site the implementation of interim activities.

Twenty-eight specific interim activities that have been undertaken and the completion status is summarised in the Table 3.2 below. Twenty-one activities initiated have been successfully completed.

#### Table 3.2: Progress of specific interim activities undertaken

No.	Specific Interim Activities	Month	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22
1.	Formulation of GPSB	Completed																
	Belaga HCS Recovery Plan																	
2.	Publishing GPSB Belaga	Completed																
	HCS Recovery Plan on its																	
	website																	
3.	Establishment of Belaga	Completed																
	HCS Recovery Site																	
4.	Create a stakeholder list	Completed																
5.	Publishing MoU on GPSB	Completed																
	website																	
6.	Formation of the Belaga	Completed																
	Recovery Site steering																	
	committee																	
7.	Implementation of	In																
	boundary demarcation	Progress																
8.	Designing and fabrication	Completed																
	of signboards																	
9.	Installation of informative	In																
	signboards at key locations	Progress																
10.	Belaga HCS Recovery Site	Completed																
	drone mapping																	
11.	Land cover analysis	In																
		Progress																
12.	Forest canopy cover	In																
	classification	Progress																
13.	Investigation and	In																
	documentation of	Progress																
	encroachment activities																	
14.	Stakeholder consultation	Completed																
	planning																	
15.	Initial stakeholders'	Completed																
	communication -																	
	Engagement letters																	

No.	Specific Interim Activities	Month	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22
16.	1 <sup>st</sup> Stakeholder	Completed																
	consultation- Open																	
	Dialogue																	
17.	Data collection on	Completed																
	surrounding villages,																	
	demography, and																	
1.0	customary rights																	
18.	Local community	Completed																
	engagement – Focus																	
10	Group Discussion	Comulated																
19.	1 <sup>st</sup> Rapid biological	Completed																
20	assessment	Completed																
20.	and fauna on site	Completed																
21	Camora tranning and	Completed																
Ζ1.		completed																
	species (1 <sup>st</sup> Phase)																	
22	Identification of vegetation	Completed																
22.	types in the site	compicted																
23.	Threat assessment –	Completed																
	Identification and																	
	recording of both potential																	
	and current threats																	
24.	Mapping of river and	Completed																
	streams																	
25.	Developing slope and	Completed																
	elevation model of the site																	
26.	Carbon stock field	Completed																
	assessment																	
27.	Belaga HCS Recovery Site	In																
	carbon stock analysis	Progress																
28.	Recovery plan budget	In																
	preparation	Progress																

### 3.1 Establishment of Belaga HCS Recovery Site

The Belaga HCS Recovery Site is identified as a suitable area because of the following attributes:

- Legal security as it is embedded within a forest reserve logging concession,
- Recovery area offset exceeding loss area,
- Biodiversity conversion, carbon sequestration, rehabilitation and developing as well as managing Non Timber Forest Products (NTFP) extraction and collection,
- Financial commitment from the company,
- Enhancement of conversation values,
- Commitment to long-term management,
- Inclusion of social components, and
- Opportunity to provide a commercially funded, long-lasting conservation impact on the Sarawak landscape.

GPSB has undertaken a preliminary analysis of the site in the form of drone mapping and prescoping ground surveys. This is to have an idea of the site conditions. A Recovery Plan was formulated in May 2021 and has been published on the GPSB website (See Photo 3.1).



Photo 3.1: Publication of GPSB HCS Recovery Plan in its website

### 3.2 Stakeholder Identification

GPSB identified all possible stakeholders which included non-governmental organizations (NGOs), local communities, and government bodies who are interested in participating in the management of the Belaga HCS Recovery Site. Local communities within a 15 km radius of the Belaga HCS Recovery Site were also invited. In addition, the local schools and institutions of higher learning within the region were included as external stakeholders because the Belaga HCS Recovery Site could potentially be utilised for nature education and eco-tourism. In total, 28 stakeholders that showed interest in the management of this Belaga HCS Recovery Site have been identified.

To facilitate future communications with stakeholders, GPSB has obtained all the stakeholders' contact information. Table 3.3 below shows the finalised Belaga HCS Recovery Site stakeholder list.

Stakeholder Category	l	Departments/ Organisations/ Institutions/ Longhouses
Belaga Recovery Plan	1.	Samling Plywood (Lawas) Sdn. Bhd.
Site licensee		
Belaga Recovery Plan	1.	Malaysia Palm Oil Board (MPOB) – Sg Asap
Site Neighbours	2.	Shin Yang Sdn. Bhd.
	3.	Samling Plantation Sdn. Bhd.– Belaga Estate
	4.	Urun Plantation Sdn. Bhd.
Government	1.	Forest Department Sarawak
Agencies	2.	Sarawak Forestry Corporation
	3.	Natural Resources & Environment Board Sarawak
	4.	District Office Bintulu
	5.	Department of Agriculture
	6.	Land Survey Department, Sarawak
	7.	Malaysia Palm Oil Board (MPOB) Bintulu
	8.	Sg Asap Community Police Station
Nearby Local	1.	Rh. Nyalang
Communities	2.	Rh. Seping
	3.	Rh. Sambop
NGO	1.	Wildlife Conservation Society (WCS) Sarawak
	2.	Nature Science & Society Bintulu (NSSB)
	3.	WWF Sarawak
	4.	Persatuan Kebangsaan Orang Ulu (OUNA)
	5.	Persatuan Kayan Sarawak (Peng Kayan Sarawak)
Institutions	1.	University Putra Malaysia, Campus Bintulu (UPMKB)
	2.	University Malaysia Sarawak (UNIMAS)
Schools	1.	Sekolah Kebangsaan Long Urun
	2.	Sekolah Kebangsaan Batu Keling
	3.	Sekolah Kebangsaan Long Gang
	4.	Sekolah Menengah Kebangsaan Belaga
	5.	Sekolah Menengah Kebangsaan Bakun
	Stakeholder   Category   Belaga Recovery Plan   Site licensee   Belaga Recovery Plan   Site Neighbours   Government   Agencies   Nearby Local   Communities   NGO   Institutions   Schools	Stakeholder CategoryIBelaga Recovery Plan Site licensee1.Belaga Recovery Plan Site Neighbours1.Site Neighbours2.Government Agencies1.Agencies2.3.4.5.6.7.8.Nearby Local 

Table 3.3: Belaga HCS Recovery Site Stakeholder List

### 3.3 Engagement with Samling Plywood (Lawas) Sdn. Bhd.

The Belaga HCS Recovery Site is embedded within a forest logging concession licensed to Samling Plywood (Lawas) Sdn. Bhd. According to the license conditions, the site license cannot be legally transferred to GPSB. However, a legally recognised Memorandum of Understanding (MoU) between the licensee and GPSB was signed on 10<sup>th</sup> September 2021. It is a bipartite exercise, the parties being GPSB and Samling Plywood (Lawas) Sdn. Bhd. Through the MoU, GPSB became the principal manager of the Belaga HCS Recovery Site.

The copy of the MoU between GPSB and Samling Plywood (Lawas) Sdn. Bhd. in dual languages is presented in Figure 3.1. This MoU is published on the GPSB website to inform the relevant stakeholders and government authorities that the site is managed by GPSB hereafter in collaboration with Samling Plywood (Lawas) Sdn. Bhd. for conservation and rehabilitation purposes.

#### Memorandum of Understanding (MOU) between Glenealy Plantations Sdn Bhd (GPSB) and Samling Plywood (Lawas) Sdn Bhd (SPSB) – GPSB's High Carbon Stock (HCS) Recovery Plan

On 10th September 2021, a Memorandum of Understanding (MOU) has been signed between Glenealy Plantations Sdn Bhd and Samling Plywood (Lawas) Sdn Bhd (SPSB) for the management of the Belaga Recovery Site designated for GPSB's High Carbon Stock (HCS) Recovery Plan. GPSB's HCS Recovery Plan is to compensate for GPSB's group-wide potential High Carbon Stock (HCS) liability in Malaysia and Indonesia for the period between 1st January 2016 (the establishment of the High Carbon Stock Approach (HCSA) organization) to September 2020 (initiation of HCS liability calculation).

The MOU serves as a bipartisan exercise between GPSB and SPSB as the Belaga Recovery Site is located within the Paong Forest Management Unit (FMU), which is licensed to SPSB. The MOU defines the roles and responsibilities of GPSB and SPSB related to the management of Belaga Recovery Site. The Recovery Sites covers an area of 3,736 ha. Under the MOU, Glenealy Plantations Sdn. Bhd. can directly manage the site for conservation purposes and bear the cost of development and management of the Recovery Site.

#### Memorandum Persefahaman (MOU) antara Glenealy Plantations Sdn Bhd (GPSB) dan Samling Plywood (Lawas) Sdn Bhd (SPSB) - Pelan Pemulihan Stok Karbon Tinggi (HCS) GPSB

Pada 10 September 2021, Memorandum Persefahaman (MOU) telah ditandatangani antara Glenealy Plantations Sdn Bhd dan Samling Plywood (Lawas) Sdn Bhd (SPSB) untuk pengurusan Tapak Pemulihan Belaga yang ditetapkan untuk Pelan Pemulihan Stok Karbon Tinggi (HCS) GPSB . Pelan Pemulihan HCS GPSB adalah untuk mengimbangi potensi liabiliti Stok Karbon Tinggi (HCS) GPSB di Malaysia dan Indonesia dalam tempoh antara 1 Januari 2016 (penubuhan organisasi Pendekatan Stok Karbon Tinggi (HCSA)) hingga September 2020 (permulaan pengiraan liabiliti HCS).

MOU itu berfungsi sebagai latihan dwipartisan antara GPSB dan SPSB kerana Tapak Pemulihan Belaga terletak dalam Unit Pengurusan Hutan (FMU) Paong, yang dilesenkan kepada SPSB. MOU itu menggarispandukan peranan dan tanggungjawab GPSB dan SPSB berkaitan pengurusan Tapak Pemulihan Belaga. Tapak Pemulihan ini meliputi kawasan seluas 3,736 ha. Di bawah MOU tersebut, Glenealy Plantations Sdn. Bhd. boleh menguruskan secara langsung tapak tersebut untuk tujuan pemuliharaan dan menanggung sepenuhnya kos pembangunan dan pengurusan Tapak Pemulihan.

Figure 3.1:MoU between GPSB and Samling Plywood (Lawas) Sdn. Bhd.

### 3.4 Building the Onsite Management Team

GPSB has allocated manpower and resources to ensure that the Belaga HCS Recovery Site will be managed and monitored for the next 5 years (management planning period). After which, a revision of the budget is expected. A steering committee and the onsite management team were established by GPSB, see Figure 3.2 below. The chart below clearly maps out the management structure of this Recovery Site. The success of this project relies on the collaboration of both on-site management and GPSB headquarters. This is reflected in the designed structure of the organisation chart. It is recorded that the person directly in charge of Belaga HCS Recovery Plan is the Senior Sustainability Manager, who is supported by a Plantation Manager and Senior Assistant Manager as well as a sustainability executive. The person in charge and dealing directly with the field operatives would be the two forest rangers and the GIS Executive.



Figure 3.2: Belaga HCS Recovery Site Management Committee

#### 3.5 Boundary Demarcation

Initially, GPSB did a ground verification exercise to assess the accessibility and ground conditions to install the boundary markers. GPSB has started to demarcate areas that are easily accessible by marking the tree trunks with red paint at regular intervals (See Photo 3.2). The GPS location points of the boundary demarcation are recorded.



Photo 3.2: Boundary demarcation by marking on tree trunks in the Belaga HCS Recovery Site

A total of 7 informative signboards were installed in strategic locations along with the demarcated boundary (see Photo 3.3). Table 3.4 shows the list of GPS coordinates where the signboards have been installed and Map 3.1 shows the location of these signboards placed.

Boundary locations which are inaccessible due to the restricted road network and steep terrain will be demarcate in phases as it requires more time.

No	GPS Coordinates						
NO.	Х	Y					
1	114° 7' 42.960" E	3° 0' 57.204" N					
2	114° 4' 39.396" E	3° 0' 36.720" N					
3	113° 59' 36.960" E	2° 59' 55.608" N					
4	113° 59' 34.116" E	2° 57' 31.500" N					
5	114° 0' 44.900" E	2° 57' 29.000" N					
6	114° 5' 36.024" E	3° 0' 3.204" N					
7	114° 4' 40.080" E	3° 0' 37.836" N					

#### Table 3.4: Belaga HCS Recovery Site Boundary Demarcation Coordinates (Informative Signboards)



Photo 3.3: Installation of informative signboards along the boundary of Recovery Site and at key locations within road access



Map 3.1: Location of the signage installed in Belaga HCS Recovery Site

### 3.6 Land Cover Mapping – Drone Mapping

The drone mapping exercise for the Belaga HCS Recovery Site was initiated in January 2022. To ensure that the whole area is covered, a 100 m external buffer from the site boundary was set for the drone flight plan. The drone mapping exercise was split into 2 phases. The droning plan is shown in Map 3.2. The summary of the drone mapping phases in the Belaga HCS Recovery Site is presented in Table 3.5. During the 1<sup>st</sup> phase, the drone team only managed to cover 56% of the area. This is due to poor accessibility and bad weather. Whereas in the 2<sup>nd</sup> phase, approximately 28% has been mapped. Map 3.4 shows the samples of drone images captured during Phase 1 and 2 droning in Belaga HCS Recovery Site. Due to southern side being extremely steep with no access (more than 600 m and 25 degrees), the remaining 608 ha (16% of the total Recovery Site) cannot be undertaken currently.

Phase	Date Dura		Area Covered (ha)	Percentage
Phase 1	19 <sup>th</sup> – 27 <sup>th</sup> January 2022	9 Days	2,079.94	56%
Phase 2	3 <sup>rd-</sup> 10 <sup>th</sup> March 2022	8 Days	1,047.32	28%
Total area covered in drone mapping (ha)			3,127.26	84%
Area not covered in drone mapping (ha)			608.93	16%
Total boundary site (ha)			3,736.19	

able 3.5: Duration an	d area mapped	l in phase 1 a	ind phase of th	e Belaga HCS	<b>Recovery Site</b>
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Map 3.2: Phase 1 and 2 block extent for drone mapping



Map 3.3: Current progress of drone mapping in the Belaga HCS Recovery Site.



Map 3.4: Sample of drone images of Belaga HCS Recovery Site taken in Phase 1 and 2

### 3.7 Encroachment Investigation Activities

During the field survey accompanying the drone mapping, two encroachment activities were detected on 7<sup>th</sup> February 2022 (Photo 3.4 & Photo 3.5). The first being an illegal logging and land clearing activity occurring within the Belaga HCS Recovery Site and the second being illegal logging just outside the southwestern boundary. GPSB conducted an on-site investigation of the encroachment, and the outcome of the investigation was presented in a letter to the Forest Department Sarawak on 22<sup>nd</sup> February 2022 (see Photo 3.6).

Following this complaint, the Forest Department Sarawak sent its internal team to undertake a site investigation (Photo 3.7). This is an on-going case, and GPSB will continue to monitor such illegal activities and encroachment within and adjacent to Belaga HCS Recovery Site.



Photo 3.4: Encroachment activities detected adjacent to Belaga HCS Recovery Site boundary



Photo 3.5: Encroachment activities detected within Belaga HCS Recovery Site

	*
	SAMLING PLYWOOD (LAWAS) SDN BHD
ľv	IKE/CORR/22-02
2	2 <sup>nd</sup> February 2022
R B J C 9	legional Forest Officer kintulu Division Forest Office alan Pisang Keling Mf Jalan Tun Razak 7000 BINTULU
D	)ear Sir,
R	<ul> <li>i) Investigation of Unauthorized Clearings in Forest Timber License (FTL) No. T/0404 - Paong FMU</li> <li>ii) Re-demarcation of common licence boundary between FTL No. T/0404, Ekran Oil Palm Plantation, Samling Oil Palm Plantation, LPF/0018 (Shin Yang Forestry Sdn Bhd) and LPF/0013 (PUSAKA KTS Forest Plantation Sdn Bhd)</li> </ul>
v	Ve refer to the above subject matters.
P P F it	lease be informed that we have detected several unauthorized clearings by unknown arties marked in Locations 1 to 6 on the map and the satellite imagery dated 7 <b>Sebruary 2022</b> attached. As such, we would be much obliged if your office could avestigate and stop the illegal activities and to take appropriate actions against the ffenders.
A b P o ti L d	It the same time, we would like to request for re-demarcating of the common licence oundary between FTL No. T/0404, Ekran Oil Palm Plantation, Samling Oil Palm lantation, LPF/0018 and LPF/0013 licensed areas from <b>Point A to Point O</b> as shown in the map attached. We need your kind assistance to make the arrangement of getting the representative from Ekran Oil Palm Plantation, Samling Oil Palm Plantation, PF/0018 and LPF/0013 licensed area and your field staff to supervise/witness the re- emarcation of the said common Licence Boundary.
v u c li	We enclosed here with three (3) copies each of the satellite imagery map showing the nauthorized clearing locations 1 to 6 (with photos dated 28/01/2022 shown the learing at location 2) and 1:50,000 topographic workmap showing the common censed boundary to be re-demarcated and unauthorized clearing sites for your efference and action.
P	lease do not hesitate to contact Mr. Tsen Teck Fen with contact no. 019-8541909 for arther information and clarification.
т	hank you.
Y F	ours faithfully or Samling Plywood (Lawas) Sdn. Bhd.
	C.
J	ames Ho Yam Kuan Chief Operating Office
c	c Director of Forests, FD HQ
	Head Office Wisma Samling. Lot 296 Jalan Temenggong Datuk Oyung Lawai Jau. P O Box 568 98007 Miri. Satawak. Malaysia Tel 60-85-413099: Fac 60-85-412751 (Forest/Planning & Development) 413713 (Markening/Shipping). 412975 (Operations).

Photo 3.6: Letter to Forest Department regarding Encroachment in Belaga HCS Recovery Site





Photo 3.7: Forest Department On-Site Investigation

### 3.8 Communication and Consultation

In order to initiate engagement with the stakeholders, GPSB conducted an open dialogue session. The initial communication and consultation are important in developing the management plan for the Belaga HCS Recovery Site as GPSB would like to spark interest and also encourage participation from the stakeholders. The feedback from the stakeholders is crucial in formulating the management plan to ensure transparency through a consultative approach. Through the consultative approach, GPSB envisions the management plan would be comprehensive and accepted and supported by all stakeholders.

#### 3.8.1 Initial engagement with stakeholders

The initial engagement letter was GPSB's first introduction of the Belaga HCS Recovery site intention to the wider stakeholder community. This was a positive move welcomed by the stakeholders. A project brief was also attached to the letter as well as a formal invitation to attend the Stakeholder Consultation – Open Dialogue Session.

#### 3.8.2 Stakeholder Consultation - Open Dialogue Session

The first stakeholder consultation (Open Dialogue Session) was held on the 31<sup>st of</sup> March 2021. This open dialogue was conducted at the Belaga Training Centre, Belaga Estate and involved the full spectrum of stakeholders. A total of 59 participants including government officers from several departments, local communities, representatives from NGOs, and educational intuitions as well as Belaga Estate management personnel attended the open dialogue (see Photo 3.8).

Below is the list of objectives of the open dialogue:

- To inform the stakeholders regarding the establishment of the Belaga HCS Recovery Site,
- To engage with stakeholders on the establishment of the Belaga HCS Recovery Site, ensuring comprehensive consultation, and
- To obtain stakeholder's feedback on the Belaga HCS Recovery Site, in order to develop the management plan.

The stakeholders' responses were gathered using two channels. The first is through a dialogue session with the stakeholders. During the dialogue session, stakeholders conveyed their views and queries about the Belaga HCS Recovery Site Project. Secondly, the stakeholders' responses were obtained by using feedback forms.

The summary of the main key points discussed in the open dialogue session are as follows:

- Further inquiry into the details of the Belaga HCS Recovery Site Project,
- Benefits of the Belaga HCS Recovery Site Project for the local communities and other stakeholders
- Potential impacts on the local communities,
- Potential involvement of the local communities and stakeholders in developing the management plan for the Belaga HCS Recovery Site Project,
- Stakeholders' contribution toward managing the Belaga HCS Recovery Site, and
- Job opportunities arise from the establishment of the Belaga HCS Recovery Site for locals.

The analysis of the stakeholder feedback indicates that the majority of the stakeholders who attended the consultation agreed to the Belaga HCS Recovery Site establishment. In addition to this, the local communities also agreed to cooperate and commit to the Belaga HCS Recovery Site Project. However, some of the local communities are still concerned about user rights for economic purposes and non-timber forest products (NTFP) collection. The issue of native customary rights over the land and encroachment was highlighted however, the Forest Department Sarawak indicated that the Belaga HCS Recovery Site is on state land with no native customary right (NCR) claims. The company is investigating other issues raised by the local communities.

All the recommendations and concerns raised by stakeholders were also acknowledged and record during the open dialogue. GPSB is committed to continuous engagement with the stakeholders and local communities as their involvement in the management planning exercise is pivotal.



Photo 3.8: Photos of Open Dialogue Session

### 3.9 Social Study

To obtain a general understanding of the social, cultural and economic characteristics surrounding the Belaga HCS Recovery Site, GPSB through, MEC has conducted a social study on the 2<sup>nd</sup> and 3<sup>rd</sup> of July 2022. Several consultation sessions in the form of Focus Group Discussions (FGDs) were conducted with the local communities who reside within the Belaga HCS Recovery Site area of importance. The longhouses identified and visited were (i) Rh. Nyalang, (ii) Rh. Seping Long Bala and (iii) Uma Sambop (see Map 3.5).

The objectives of the consultation and FGDs are as follows:

- To follow up with the local communities after the open dialogue held on 31<sup>st</sup> March 2022 in Belaga Estate.
- To obtain feedback from the local communities in a focused discussion setting.
- To assess any form of dependency on natural resources within the Recovery Site.
- To assess the contribution of the Recovery Site to the local community livelihood.
- To explore overall willingness to take part in the Belaga HCS Recovery Site management plan.
- To explore local community economic opportunities arising from the management of this site.

During the FGD sessions, basic information regarding the local communities were collated. Table 3.6 presents the basic information obtained.

Longhouse	Ethnic Group	No. of Longhouse Units	Source of income & livelihood
Rh. Nyalang	Suku Kenyah	38 units	<ul> <li>Oil palm smallholdings</li> </ul>
			<ul> <li>Paddy cultivation</li> </ul>
Rh. Seping Long Bala	Suku Seping	35 units	Oil palm smallholdings
Rh. Sambop	Suku Kenyah	Currently 78 units. A new longhouse with 100 units is still under construction.	Oil palm smallholdings

#### Table 3.6: Basic information on the longhouses

In general, the local communities have a low dependency on the Recovery Site because natural resources utilised by means of NTFP gathering and hunting are minimal due to the ease and availability of commercial alternatives. However, there are some that still hunt and gather NTFP. It has been noted that residents of Rh. Nyalang still utilise the resources within the Recovery Site as summarised in Table 3.7. Besides that, Rh. Nyalang is also dependent on the Bera'an River which flows from the Belaga Site as a clean water source.

Table 3.7: Dependency towards th	e Belaga HCS Recovery Site
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Lanahawaa	Dependency on the Belaga HCS Recovery Site							
Longhouse	Hunting Ground	Gather NTFP	Extract Timber/ Firewood	Clean water source				
Rh. Nyalang	YES	YES	YES	YES				
	Residents hunt wild	Gather rattan and	Extract timber for building	Clean water is sourced				
	boars, civets, deer,	other consumables.	materials and firewood for	from Bera'an River, a				
	and squirrels using		cooking.	natural spring and the				
	dogs.			nearby waterfall (located				
				within the Recovery Site).				

Longhouse	Dependency on the Belaga HCS Recovery Site						
Longhouse	Hunting Ground	Gather NTFP	Extract Timber/ Firewood	Clean water source			
Rh. Seping Long Bala	NO Residents only hunt in the forest located near the longhouse, which is not within the	NO Resources such as rattan are gathered from the forest located near the longhouse, not within the	NO Residents only extract timber from the forest located near the longhouse, not within the Recovery Site.	NO Clean water is sourced from natural spring from Bukit Anjau, near Semakat River, not within Recovery Site.			
Rh. Sambop	NO Residents only hunt in the forest located near the longhouse, which is not within the Recovery Site.	NO Resources such as rattan are gathered from the forest located near the longhouse, not within the Recovery Site.	NO Residents only extract timber from the forest located near the longhouse, not within the Recovery Site.	NO Clean water is sourced from natural spring nearby the longhouse. However, during the drought season, residents have to depend on the Belaga River for domestic use.			

Besides getting an understanding on the local communities' livelihood and dependency towards natural resources, the local's perception towards the Belaga HCS Recovery Site was also enquired. GPSB has taken note on concerns raised by the local communities (refer Table 3.8).

Longhouse	Locals' Perception Towards the Recovery Site	Company's Feedback
Rh. Nyalang	Residents have concerns over access to the	Clarification regarding access to the site is to be
	site where collection of NTFP and hunting.	done during the management planning exercise.
	• Signages that were installed at the Recovery	• Clarification regarding land user rights and native
	Site prohibits locals to access the site.	customary rights within the Belaga HCS Recovery
	• The Recovery Site land belonged to RH.	Site should be conducted with the Forest
	Nyalang before Samling. Now, residents are	Department Sarawak.
	accused of trespassing the land.	• The signage does not restrict locals from accessing
	Another reason why the residents are	the site for livelihood collection. This will be
	concerned about the Recovery Site project is	clarified as the project progresses.
	because they have experienced 'empty	
	promises' from other companies who had	
	organised similar projects. The residents are	
	worried they will not be given access to their	
	own land anymore because of the Recovery	
	Site.	
	• Rh. Nyalang is already surrounded by oil palm.	
	The Recovery Site is the only forest patch left	
	for the future generation.	
Rh. Seping	Residents who participated the consultation	The company will continuously engage with the
Long Bala	session agree to the establishment of the	local communities to clarify user rights and permit
	Recovery Site. However, they highlighted that	NTFP collection access within Belaga HCS
	the local's rights to hunt, gather NTFP and	Recovery Site.
	other products to support their livelihood	
	should not be limited.	

#### Table 3.8: Local communities' feedback regarding the Belaga HCS Recovery Site

Longhouse	Locals' Perception Towards the Recovery Site	Company's Feedback
Rh. Sambop	The residents would agree to the Recovery	• MoU with the local communities will be explored.
	Site as long as there is proof of agreement.	Clarification regarding land user rights and native
	Residents are worried that the company will	customary rights within the Belaga HCS Recovery
	take over their native land within the Recovery	Site should be conducted with the Forest
	Site.	Department Sarawak.
		Boundary demarcation of the Belaga HCS
		Recovery Site should clarify land ownership
		misperception.

The local community feedbacks are very important and GPSB would go through a process of clarifying some element of false claims based on the local communities' lack of understanding of the project situation. GPSB is planning to have a series of clarification meetings with the local communities, with the help of the local government officials. This is with regards to NCR claims mentioned in the open dialog and the focused group discussions.

GPSB will also explore collaboration possibilities and the provision of economic opportunities with the local communities.



Map 3.5: Location of social visit surrounding Belaga HCS Recovery Site

### 3.10 Site Biological Assessment

The first biological survey was conducted in the Belaga HCS Recovery Site from 21<sup>st</sup> to 30<sup>th</sup> August 2022 to ground truth the ecological conditions and to assess the presence and diversity of the flora and fauna. There were 35 sampling sites surveyed for both the ecological and botanical assessments (see Map 3.6). The count of different flora and fauna species recorded gives us a first impression of the 'value' a site may have for the conservation of biodiversity. The larger the number of species, the more valuable – biologically. Based on this, the Belaga HCS Recovery Site has significant conservation potential. The biological assessment report is presented as a separate supporting document.

This assessment has recorded that the Belaga HCS Recovery Site has a number of Rare, Threatened and Endangered (RTE) and protected species surviving in this area. The total species count recorded in the Recovery Site for flora is 470 and 220 for fauna. The RTE, protected, and endemic species recorded are as follows:

- Flora: IUCN Red List species: CR: 6, EN: 5, VU:25,
  - CITES Appendix II: 9,
  - Endemic (Borneo): 41,
  - Wildlife Protection Ordinance 1998, Schedule II (Part 2): 31.
- Fauna: IUCN Red List species: CR: 3, EN: 4, VU:10,
  - CITES Appendix I: 6; Appendix II: 22,
  - Endemic (Borneo): 7,
  - Migrant: 7,
  - Wildlife Protection Ordinance 1998, Totally Protected: 11; Protected: 38.

The Belaga HCS Recovery Site is covered with different vegetation or forest types. There are 5 main forest types are found in the Belaga HCS Recovery Site. These are moderately disturbed lowland forest, highly disturbed lowland forest, moderately disturbed hill forest, highly disturbed hill forest and shrub area.

Threats for Belaga HCS Recovery Site was identified. The main threats to the Belaga HCS Recovery Site are illegal logging, land clearing for agricultural purposes, land claim by the local community, burning, wildlife poaching, potential erosion and sedimentation due to illegal logging. As part of the management plan, there should be SOPs for regular monitoring of various locations and parameters, rapid analysis of findings and feedback to the management for enhanced appropriate action(s).



Map 3.6: Location of sampling sites for ecology survey, botany plots and camera traps in the Belaga HCS Recovery Site

### 3.11 Hydrology and Biophysical Assessment

The hydrological and biophysical conditions of Belaga HCS Recovery Site was assessed during the biological assessment from 21<sup>st</sup> to 30<sup>th</sup> August 2022. The biological assessment report is presented as a separate supporting document.

The Belaga region has a tropical climate, with high average temperatures and high precipitation values throughout the year. The hottest 4 months is from April to August, with an average daily high of 30°C and above. The monthly rainfall range in the Belaga region is 130 mm to 275 mm.

The Belaga HCS Recovery Site is part of Rajang River watershed, which is located between Koyan River (west), Bala and Batang Belaga Rivers (north) and Penyuan River (south), see Map 3.7. From the assessment, it is found that the Belaga HCS Recovery Site plays an important role as a water catchment area feeding into the Iga and Bera'an Rivers, which flows into the Batang Belaga River. The Batang Belaga River is one of the upstream tributaries of the Rajang River, which is the largest river in Sarawak.

Based on Alos Palsar's elevation model, the Belaga HCS Recovery Site is relatively hilly with a height range of 210 to 904 meters above sea level (m asl). Map 3.8 shows the elevation model of the Belaga HCS Recovery Site. The highest area is in the southeastern part of the site, while the lowest is in the north. Map 3.9 displays the slope class model in the Recovery Site and the surrounding areas. The topography of the site is undulating with steep slopes up to 61 degrees. Table 3.9 shows the slope and elevation classes hectarage spread in the Belaga HCS Recovery Site.

Elevation	Slope (degrees)					Total	
(m asl)	0-5	5.01-10	10.01-15	15.01-20	20.01-25	25.01++	(ha)
200.01-300	77.52	198.00	238.71	222.13	112.11	54.84	903.31
300.01-400	27.50	114.11	202.48	265.61	197.70	172.83	980.24
400.01-500	14.47	73.91	164.68	227.55	175.15	198.23	853.98
500.01-600	14.84	56.72	102.13	133.06	109.11	155.96	571.82
600.01-700	6.67	24.30	49.19	77.73	57.73	67.87	283.48
700.01-800	2.25	9.08	19.00	26.81	22.93	28.13	108.19
800.01-900	2.25	7.05	6.96	7.79	4.17	6.82	35.05
900.01-1000	0.02	0.02	0.04	0.03	0.0005	0.0022	0.11
Total Area	145.52	483.19	783.19	960.72	678.90	684.68	3,736.19

#### Table 3.9: Altitude and slope models at the Belaga HCS Recovery Site



Map 3.7: Rivers within and surrounding Belaga HCS Recovery Site



Map 3.8: Elevation model within and surrounding Belaga HCS Recovery Site



Map 3.9: Slope model within and surrounding Belaga HCS Recovery Site

### 3.12 Carbon Stock Assessment

While conducting the biological survey in Belaga HCS Recovery Site from 21<sup>st</sup> to 30<sup>th</sup> August 2022, a preliminary carbon stock assessment was also undertaken. Biomass and carbon storage values of the various forest classes in Belaga HCS Recovery Site were evaluated from the data collected on-site. The same sampling plots for the biological assessment was also used to take measurements for aboveground biomass estimation. The biological assessment report is presented as a separate supporting document.

Several forest stratifications based on density were identified, namely shrub, young regenerating forests, low-density forest, medium-density, and high-density forest. The field data was analysed, hence, the results for each forest class are as follows:

- a) **Shrub** The results of the data analysis reveal that biomass value is 59.07 tons/ha. The carbon stock values of the shrub area range from 15 tons/ha to 35 tons/ha.
- b) Young Regenerating Forest The biomass value of young regenerating forest areas ranges from 86.46 tons/ha to 158.35 tons/ha, averaging at a value of 120.69 tons/ha. Regarding the carbon stock values, the data ranges from 40.63 tons/ha to a value of 74.43 tons/ha, averaging at 56.72 tons/ha.
- c) **Low-Density Forest** The total biomass value ranges from 166.12 tons/ha to 189.76 tons/ha, averaging at a value of 177.0 tons/ha. The carbon stock values of low-density forest areas range from 78.08 tons/ha to 89.19 tons/ha.
- d) Medium-Density Forest –The total biomass value ranges from 197.65 tons/ha to 315.76 tons/ha, averaging at a value of 251.07 tons/ha. The carbon stock values of medium-density forest areas range from 92.90 tons/ha to 148.41 tons/ha, averaging at a value of 118.00 tons/ha.
- e) **High-Density Forest** The total biomass values of high-density forest areas range from 332.42 tons/ha to 649.32 tons/ha, averaging at a value of 408.43 tons/ha. The carbon stock values from the plots ranged from 151.54 tons/ha to 305.18 tons/ha, averaging at 191.96 tons/ha.

Excluding the shrub area, these forest stratifications can be found within the lowland and hill forest types. These classifications are based on forest density and carbon stock values. All the results calculated are in accordance with the field findings. Land cover classes are being generated through a detailed landcover mapping. The land cover classes will be attributed to carbon stock classes and a carbon stock map will be generated.

### 3.13 Interim Budget

Table 3.10 below presents the interim budget and resources allocated for the recovery plan 5-year period. The total 5 years budget is MYR 1,505,000. For the success of the recovery plan, sufficient financial resources are required. Thus, this budget will be revised at the 5<sup>th</sup> year to ensure that the project is sustainable.

Itoms		Total					
items	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total	
Rehabilitation cost (MYR)	144,000	144,000	144,000	144,000	144,000	720,000	
Maintenance cost (MYR)	12,000	12,000	12,000	12,000	12,000	60,000	
Overhead cost (MYR)	85,000	85,000	85,000	85,000	85,000	425,000	
Local Communities	30,000	30,000	30,000	30,000	30,000	150,000	
Economic Empowerment							
Actions (MYR)							
Conservation work and	30,000	30,000	30,000	30,000	30,000	150,000	
reporting (MYR)							
Grand Total (MYR)	301,000	301,000	301,000	301,000	301,000	1,505,000	

#### Table 3.10: Budget for the Recovery Site Management

### **4 END NOTE**

This progress report for the Belaga HCS Recovery Site covers the interim actions undertaken from January to August 2022. The actions implemented focused on fulfilling legal requirements (through the MoU), collection of social and biological data of the site (social and biological assessment), engagement with stakeholders (Open Dialog and FGD), mapping and demarcating the site. GPSB has also established an on-site management team to ensure management actions are efficiently implemented and monitored. A 5-year budget has been developed and funding has been allocated by GPSB for successful site management. The interim management actions and the budget are in place, and the next major task for GPSB is to finalised the site's 5 year management plan. GPSB is focused on continuous engagement with local communities and other stakeholders. This is just a starting point to ensure that its conservation and high carbon stock potential are realised over an effective period of time. Future planned activities for the site will be covered in the management plan, covering the period of 2023 – 2028.

# **5** APPENDIX

### 5.1 Appendix A: Local Community Consultation – Focus Group Discussion Findings

• Please refer to the attachment.

Note: Appendix is available in the cloud link down below: https://1drv.ms/u/s!AgCGQa15ZE66gbdDaurrLu6kpVYrgA?e=E9k2eZ