



MALAYSIA FOREST
FUND

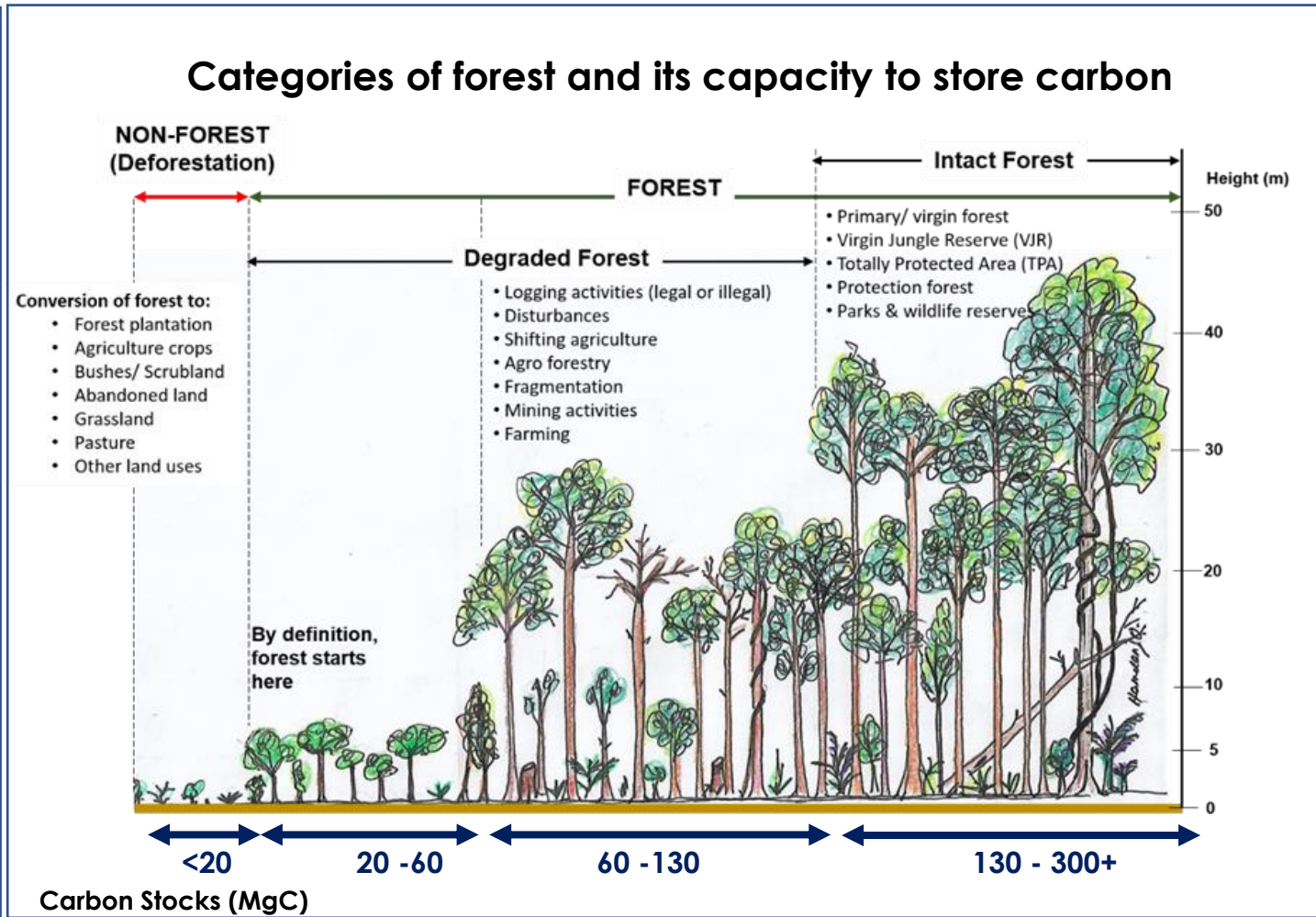
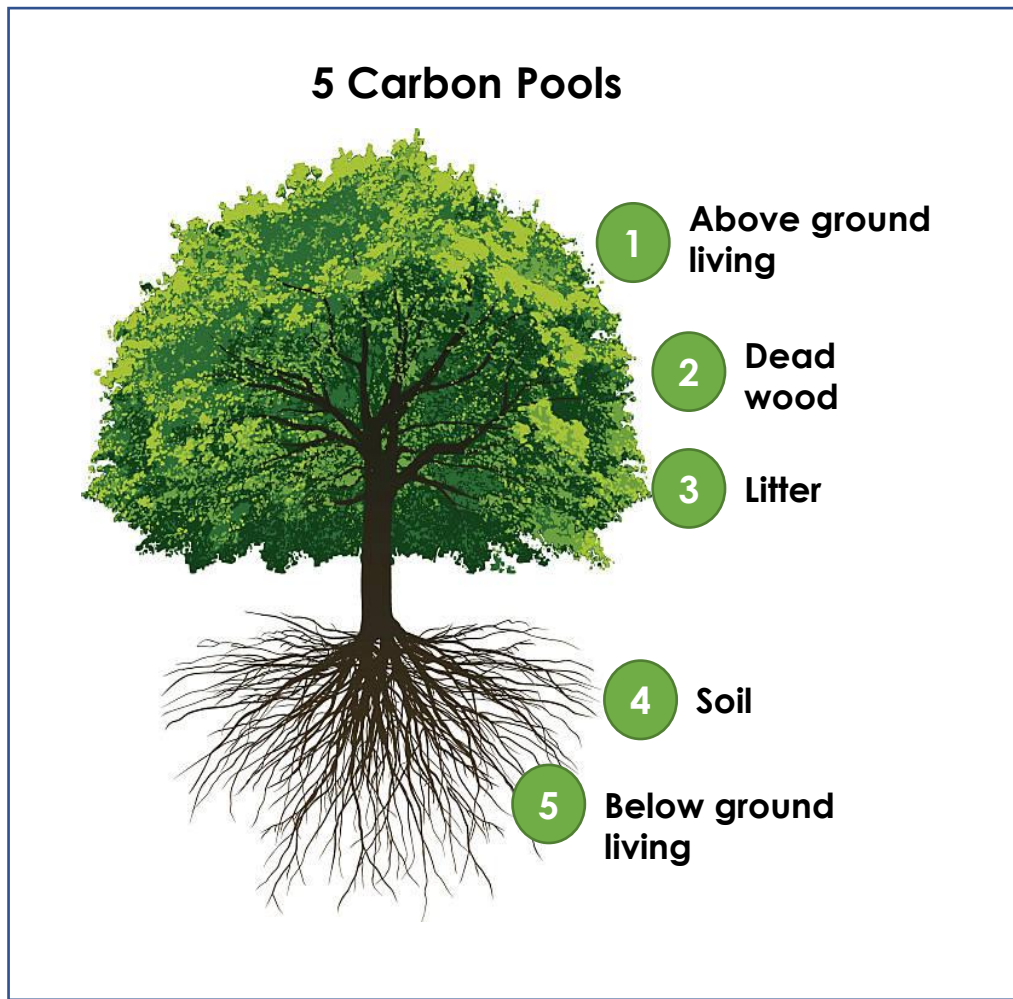
Journey to Net Zero Conference 2023 –
Thematic Breakout Session 3:

SUSTAINABLE FORESTRY

24 OCTOBER 2023

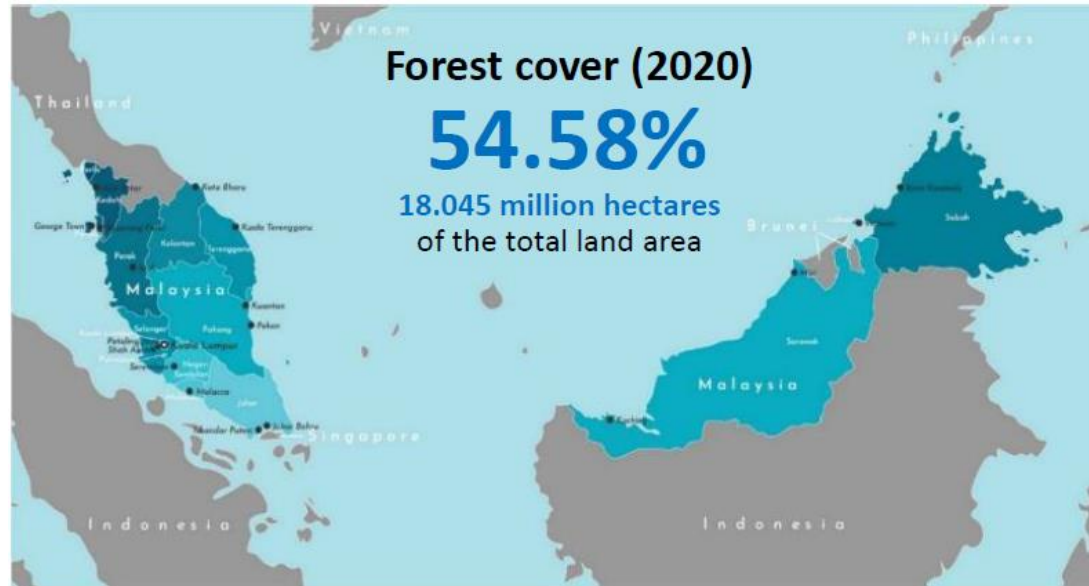


Forests are fundamental for regulating the Earth's climate through storage and exchange carbon from atmosphere

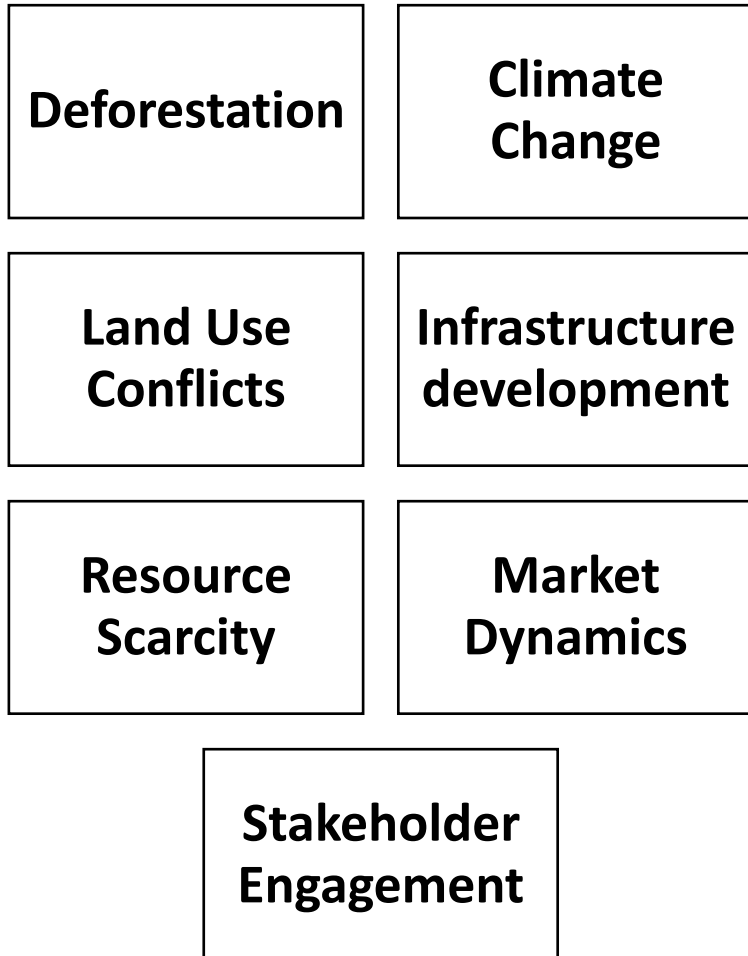


Note: Forests store more carbon than all the Earth's exploitable oil, gas and coal 3,4, and between 2001 and 2019 forests absorbed 7.6 gigatonnes of CO₂ from the atmosphere every year 5, or about 18% of all human-caused carbon emissions

FOREST CHALLENGES



≥50%
forested
area



REDD PLUS FINANCE FRAMEWORK

is an innovative finance strategies to generate **positive incentives** for the protection, conservation and sustainable management of forests

REDD +

Reduce Emissions from Deforestation & Forest Degradation



Conservation & Enhancement of **Carbon Stocks**

Pursuance of **sustainable management of forests**

FOREST CONSERVATION CERTIFICATE (FCC)

A **NON-MARKET INSTRUMENT** that Voluntary Contribution By Private Sectors To Support Conservation Activities

FOREST CARBON OFFSET (FCO)

A **MARKET INSTRUMENT** that focus on on **high quality and verified GHG emission** reduction and removals enhancement



Johor



Kedah



Kelantan



Malacca



Negeri Sembilan



Pahang



Penang



Perak



Perlis



Sabah



Sarawak



Selangor



Terengganu



Kuala Lumpur



Labuan

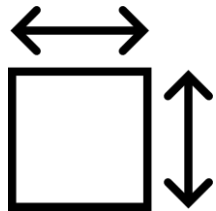


Putrajaya

2023 State Engagement

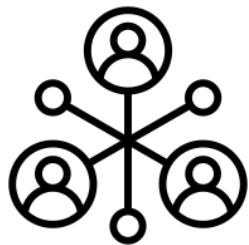


41 Potential projects/sites were discussed during the workshops



Fragmented and Small size

54% of projects are less than 500ha with 29% being less than 100ha



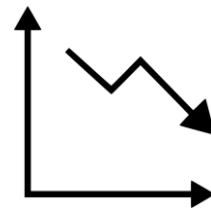
Multi Stakeholders Affairs

Most projects involved multiple stakeholders (managing drivers to degradation and intervention support)



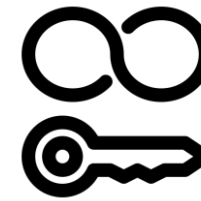
Need for initial funding prior to result

51% of project cost per potential VCU is above USD5 with 37% being above USD10 and 32% above USD15



Potentially low results in silo

68% of projects indicated potentially low carbon result and require consolidation to achieve significant scale over 30 years period (less than 40,000 tCO₂ eq vs 1.4mil tCO₂ eq state wide)



Need for long term commitment

61% of projects require more than 30 years with 41% requiring more than 50 years



Cost specific to site vs Market Price

Intervention costs vary from one site to another, depending on drivers of degradation and the extent of degradation