

Crooked Carbon Business

An assessment of 10 carbon projects¹

7 SaraCarbon, ‘Marudi Forest Conservation and Restoration Project’, Sarawak, Malaysia (updated 18.03.25)

1. About the project

As of March 2025, this project is under active development by SaraCarbon, which is a subsidiary of the notorious Malaysian logging company Samling. This parent company holds 1.2 million hectares of logging concessions in Sarawak, which have been the target of indigenous peoples’ protests and blockades for decades. Samling also has extensive operations in several other countries. A carbon project licence to develop the Marudi offset scheme was granted to SaraCarbon by the Sarawak authorities in March 2023.² It is being developed on 25,675 hectares of land which was formerly included in a ‘Licence for Planting’ concession held by Samling, which was in the process of being cleared and partially re-afforested with acacia trees. Before that, it was a logging concession. The project area includes a number of communities, all of them of indigenous Iban and Kayan.

A preliminary project design document (PDD) was submitted to Verra³ in December 2023, together with a digital map file showing the projection location and boundaries.⁴ A full draft PDD was submitted to Verra at the end of November 2024.⁵ According to the PDD, the project will have an official start date of December 15th 2021 – this being the date when it is claimed that the Samling CEO issued an instruction to “cease land clearance and plantation activities” on the site. The draft PDD says that the project will have a 60-year crediting period. As of February 2024, the project is described on the Verra website as ‘Under Validation, which means it will shortly proceed to validation and thence verification (possibly simultaneously).

	Marudi Forest Conservation and Restoration Project’, Sarawak
Project owner	SaraCarbon (Samling Bhd)
Project partner	None
Verra VCS-ID	4814
Notional start date	15 th December 2021
Project lifetime	60 years

¹ This briefing is part of the Crooked Carbon Business series which includes 10 briefings on specific carbon offset projects and a collection of academic and media reports documenting the flaws of carbon offsetting. The briefings have been researched and written between September 2024 and September 2025 by Simon Counsell and Jutta Kill, with financial support from the Network for Social Change.

² Borneo Post, 2023. SaraCarbon first in S’wak to receive forest carbon study permit <https://bit.ly/3XnVpMc>

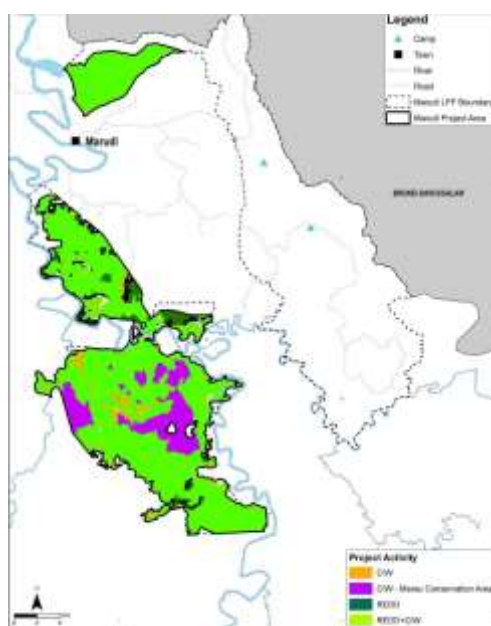
³ Verra is a not-for-profit organisation that administers the Verified Carbon Standard (VCS) and the Community, Climate and Biodiversity (CCB) Standard. The large majority of REDD projects selling carbon credits have chosen one or both of these private sector standards as basis for the third-party audits of their projects. Verra also operates the VCS registry which provides project documentation and a record of the credits issued and “retired” for each VCS-approved project.

⁴ Verra Project Database at <https://bit.ly/4fZlt6m>

⁵ Verra, 2024. Marudi Forest Conservation and Restoration Project. Project Description, v.2.0, 28 November 2024. <http://bit.ly/3F5r2TG>

Projected volume of emissions avoided (tonnes of CO ₂)	117,698,804
Validation / 1 st verification	n/a n/a
Validator & verifier first verification	Earthood
Project area (hectares)	25,675
# of credits issued as of August 2024	0
# of credits used by final buyer ("retired") as of August 2024	0

Figure 1: Map showing project area and type of activity planned⁶



The project will use Verra's REDD+ Methodology VM007, alongside numerous methodological 'modules', including on how to calculate 'emissions savings' from 'avoided planned wetland degradation'. No credits have yet been issued to the project.

2. What are the claimed objectives/outcomes?

The draft PDD states that the project would include two different carbon credit generating activities (see also Figure 1 above):

- **Avoided Planned Deforestation & Degradation (APDD)** – the project claims it will avoid 21,410 hectares of deforestation for plantations.
- **Conservation of Intact Wetlands (CIW)** – the project claims it will avoid “20,374 ha of plantation development on wetland forest areas” and “3,806 [hectares of?] conservation areas in wetland areas”.⁷

⁶ Verra. 2024, *ibid*.

⁷ An earlier preliminary draft of the PDD had also included 'afforestation, reforestation and revegetation of around 2,000 hectares, as well as 'avoided unplanned deforestation & degradation activities, but these were evidently dropped from the company's plans.

The project claims that, through these activities, it will result in a total of more than 99 million tonnes of CO₂ equivalent in avoided emissions or removals from the atmosphere over the project's 60-year duration - equating to around 87 million tradeable carbon credits.⁸ This is an extremely high number of credits, equivalent to more 3,800 tonnes of carbon stored per hectare of project land.

3. What do project proponents claim would have happened without the offset project intervention?

According to the PDD, without the project Samling would have continued to develop the area as it had been since it originally obtained the concession – principally clearing any existing vegetation and attempting to drain peat swamps, in order to establish acacia plantations. This, the project claims, would have resulted in the generation of more than one hundred million tonnes of CO₂.

4. What has been happening in reality?

The original plantation licence area which now contains the offset project consists of four designated forest management blocks. As Figure 2 below shows, there has been extensive deforestation since 2013 in two of them, especially in the Batu Belah block, close to the Brunei border. This is a mostly upland area which has been deforested and converted to acacia plantations. This block is entirely excluded from the REDD+ project. Most of the other three blocks comprise the carbon project.

As can be seen from in Figure 2, these three blocks are all close to and in the floodplain of the Sungai Tutoh tributary of the Barama river. Almost all of this is wetland forest underlain by deep peat deposits. Significant parts of the project area were probably practically inoperable for Samling's intended forestry operations. According to one source, the company had only managed to plant trees on an average of 368 hectares per year since it had obtained the licence in 1998. At this rate it would have taken 86 years to plant the area on which it now claims to be 'avoiding' deforestation.⁹

The project claims to have identified and engaged, through intermediaries including the University of Malaysia Sarawak, with all the communities inside the project area. It claims that, as a result, "No Native Customary Rights Land has been included in the Project Area", that is those "having authoritative evidence of legal or customary tenure/access rights to territories and resources in the locality of the project". In October 2024 the project stated that local communities have "no formal legal rights to the project area" and that, whilst indigenous people will not be prevented from entering the forest, they would need to be restricted from cutting trees.¹⁰

In November 2024, 319 residents from 15 villages in the Marudi district signed a letter to SaraCarbon and the Prime Minister of Sarawak objecting to the project. Further letters of objection were sent in January 2025. In February 2025, members of several communities issued a statement disagreeing "with the government and company's interpretation of the "NCR" boundary".¹¹ They also stated "As long as our customary land rights and rights to our livelihood are not fully recognized by the

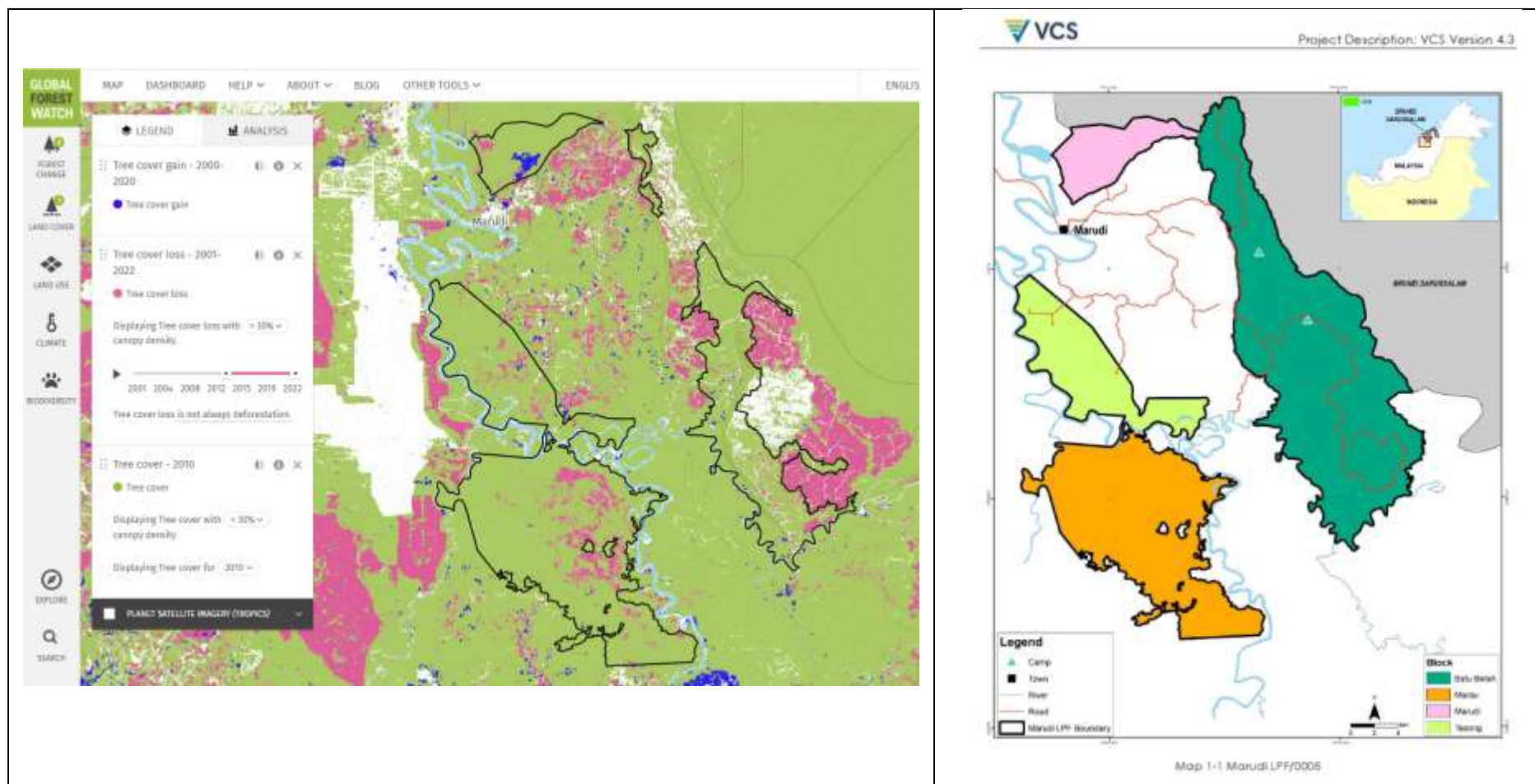
⁸ In addition, a certain percentage of claimed reductions will be 'reserved' in a non-tradeable buffer stock of credits for use in the event there are major unexpected emissions of carbon from the project.

⁹ Sarawak Report. Samling's Blueprint Carbon Venture Raises Red Flags For Sarawak. 2024 <https://bit.ly/3AD9D2P>

¹⁰ Yin, I. INTERVIEW: Malaysia's Sarawak state to receive carbon license for first nature-based project in 'very near term' – SaraCarbon. S&P Global, 6th September 2024. <https://bit.ly/48MvFwZ>

¹¹ Residents of Logan Entasan, Lobang Kompeni and Sungai Brit villages. Community opposes carbon credit project by Saracarbon SDN in NCR AREA (original in Malay). 24 February 2024.

Figure 2. Deforestation in the project area (delineated in black), 2013-2022¹²; and the earlier designation of Samling's Licence for Planting



In the left map, forest is green, deforestation is shown in pink, non-forest or previously deforested areas shown in white, and the project boundary in black.

¹² Sources: Global Forest Watch website, using the shapefile available on the Verra project database; Draft PDD. Note that the project shapefile shown on the left still shows that part of the Batu Belah block as included in the project, as it was in the draft project document, but is no longer part of the project in the final document.

government, we are concerned that this project will restrict traditional practices on our territory such as hunting, harvesting forest products and farming”. The statement also said that there had been “no transparent explanation and no process for granting consent based on prior, free and transparent information”. It called on the government to “fully recognize our customary land rights”.

The community statements have been supported by Sahabat Alam (Friends of the Earth) Malaysia and Save Rivers, another local NGO.¹³

5. Key ‘takeaways’ from this project

- ✓ The project highlights the systemic flaws of a carbon standard which allows a company responsible for ongoing massive environmental damage, carbon emissions and destruction of indigenous peoples’ lands to profit hugely from what appear to be very limited measures to supposedly discontinue such practices. There is very little in the prevailing ‘standards’ applying to voluntary carbon offset projects that excludes such cases – other than that offset project developers should not have *deliberately* caused such damage specifically in order to later claim carbon credit benefits by repairing it. There is nothing in the Verra system which prohibits a project proponent from selling carbon credits even though its actions elsewhere might be causing high levels of emissions, as is the case with Samling.
- ✓ The plausibility of the project proponent’s claim that without the income from carbon credit sales, it would have destroyed the forest, rests on assumptions about whether Samling would or could, for example, have drained the peat swamps areas. Local observers claim that the acacia planting programme had already run into technical problems, with very poor tree growth. Some parts of the replanting area were proving unworkable due to access problems, especially in the wetlands/swamps. Other parts of the now carbon project area were occupied by shifting cultivators, and it could be argued that there was no realistic prospect of the company developing plantations there.
- ✓ The proponent’s story is that what would have happened to the forests in the absence of the proposed carbon project is that Samling would have continued to operate the planting licence area as it had started doing: mostly clearing of forest, and draining of peat swamp in order to grow acacia trees for harvest. If, as noted above, the company was having difficulties with its intended planting, then this also raises serious questions about whether the baseline – probably assuming complete deforestation and draining of peat swamp forests – would be reasonable and credible.
- ✓ As with all offset projects, unverifiable assumptions underpin not only the construction of hypothetical emissions scenario without the carbon credit revenue but extend to assumptions of the likelihood of deforestation simply taking place elsewhere (carbon ‘leakage’). In the absence of areas of acacia planting and felling claimed to be foregone, has Samling simply been cutting forest or draining peat swamps elsewhere – thus negating the claimed climate benefits of the Marudi project?

¹³ Sahabat Alam Malaysia (SAM) and SAVE Rivers. Joint press statement. Support for Marudi indigenous communities affected by forest carbon project. 24 February 2024.

For example, as the SaraCarbon project was under development in May 2024, Samling was expected to soon start cutting in the 142,000 hectare Layun Forest Management Unit of Sarawak, some of which is only 20 miles away from the SaraCarbon project¹⁴. This concession area is inhabited by indigenous Penan people, most of whom oppose the felling.

6. Where to find more information?

As the project is still under development, the information available is limited, primarily to the project document in the Verra database: <https://bit.ly/4fZlt6m>

This site also includes comments critical of the project submitted by Sahabat Alam Malaysia and the Swiss NGO Bruno Manser Fund.

An article critical of the project has been published by SarawakReport:

Samling's Blueprint Carbon Venture Raises Red Flags For Sarawak – SR INVESTIGATION.
<https://bit.ly/3AD9D2P>

¹⁴ See Public Summary Forest Management Plan for Layun FMU. <https://bit.ly/3wp4fOP>