

## Executive Summary

The Ulu Kalumpang Wullersdorf Sustainable Forest Management Project (UKW-FMP) was incorporated in 2007 by the Sabah Forestry Department for the purposes of an extensive forest restoration programme and the conservation of vital watersheds. With advent of the success of the oil palm industry following the cessation of logging activities, significant parts of the Project area became subjected to illegal oil palm cultivation over the past 20 years. In the drive to achieve accreditation under the auspices of the Forest Stewardship Council in 2016, the Department has commissioned the assessment for High Conservation Values 5 and 6, for the evaluation of basic needs (HCV 5) and cultural identity (HCV 6), as partial fulfilment for certification. To this end, secondary research was conducted and a preliminary fieldtrip (Phase 1) was undertaken between 2<sup>nd</sup> and 6<sup>th</sup> November 2016 to assess the Project area for communities located within 5 km radius of UKW-SFMP.

Historical land use changes in the Kunak and Tawau area accommodated the shift from logging activities in the first quarter of the 20<sup>th</sup> century which as a consequence, rapidly led to the conversion to commercial cash crop production such as abaca, rubber, cocoa and latterly, oil palm. The intake of migrant labour from neighbouring Philippines and Indonesia to expedite land development was spearheaded by the British Colonial Government and subsequently, the Sabah Government, has brought about immense socio-economic, cultural and environmental transformation of the area. Furthermore, the expeditious growth and the unanticipated success of the oil palm industry over the past 40 years exacerbated the recruitment of foreign workers.

The settlement and naturalisation of these multi-ethnic migrant workers led to the formation of communities from the 1960s onwards thus, forming the core of the villages in the study. With the exception of 'settlements' created in pre-designated areas for employees by estate management in the numerous surrounding oil palm plantations, there are four villages occurring within the 5-km radius of UKW-SFMP. These communities, namely *Kampung* Sri Bahagia, *Kg* Airport Batu 10, *Kg* Checkpoint and *Kg* Balung Cocos have good road access to employment, medical and educational facilities in the neighbouring towns of Kunak, Tawau and Balung. Moreover, while all the study villages are served with electricity mains supply only *Kg* Airport Batu 10 and *Kg* Balung Cocos sustain piped water supplies. With the exception of Balung Cocos where the original inhabitants were migrants from the Cocos (Keeling) Islands in the Indian Ocean, the majority of the population in the other villages are the Bugis from Indonesia. The greater part of these communities eke out a living on small-scale agricultural pursuits, small business ventures and employment with the neighbouring plantations and government.

The basis on which these communities are formed could have a minimal impact on the reliance on the forest for basic needs (HCV 5) and cultural identity (HCV 6). However, it is recommended that a series of mixed focus group interviews (FGIs) at village level to be undertaken during Phase 2 in order to determine the outcome of the HCV assessment and to complete the research process for the Ulu Kalumpang Wullersdorf SFM Project.