



KEMENTERIAN TENAGA DAN SUMBER ASLI

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'M'sia committed to climate duties'

Many green initiatives under way to limit emissions, says environment minister

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KUALA LUMPUR: Although Malaysia's contribution to global greenhouse gas (GHG) emissions is less than 0.8%, Putrajaya has not shied away from its climate responsibilities, says Nik Nazmi Nik Ahmad.

The Natural Resources, Environment and Climate Change Minister said Malaysia is committed to reducing its GHG emissions through a series of climate initiatives over the past few years.

"As you know, in May this year, the government announced its commitment to further accelerate the share of Malaysia's renewable energy power installed capacity to 70% by 2050, up from our existing installed capacity of 25%.

The government, through the Economy Ministry, launched the National Renewable Energy Roadmap (NETR) in August, anchored on six levers to acceler-

ate energy transition, namely renewable energy, energy efficiency, hydrogen, bioenergy, green mobility, and carbon capture, utilisation and storage (CCUS)," said Nik Nazmi during his speech at the Malaysia Carbon Market Forum at Kuala Lumpur Convention Centre here yesterday.

Nik Nazmi also said that voluntary carbon markets (VCMs) would be very important to Malaysia in the future.

Citing the World Economic Forum in August, Nik Nazmi said VCMs are the most effective way to reduce GHG emissions by mobilising private sector finance.

"VCMs can help host countries achieve their nationally determined contributions (NDCs), even if such sales are to corporate buyers outside of Malaysia.

"This is because sales of carbon credits in VCM do not require authorisation from host countries

and are not considered an international transfer of mitigation outcomes (ITMOs) from host countries to meet the buyer country's NDC obligations.

"This is an opportunity, as Malaysia is well-endowed with resources that can propel us towards a lower-carbon economy," said Nik Nazmi.

He said the VCM concept is exciting and necessary for climate action, but it needs public support to realise its potential.

"Hence, leadership in all sectors will be necessary to bring this about," he added.

According to S&P Global, VCMs allow carbon emitters to offset their emissions by purchasing carbon credits emitted by projects aimed at removing or reducing greenhouse gases from the atmosphere.

Nik Nazmi said as of 2019, 54.9% of the country is under forest and tree cover, with more than 18 million hectares of forest

cover, which could be managed to ensure permanent carbon sequestration.

He said forest lands in Malaysia are largely owned by state governments.

"Many state governments have reached out to my ministry for the alignment of carbon policies for forest carbon assets.

"I have assured them that my ministry is doing our best to ensure that these discussions take place, and fruitfully at that," said Nik Nazmi.

He also said that the National Carbon Policy was expected to be ready for implementation this year.

"It will provide, among other things, guidance on carbon trading at the state level," he added.

In December last year, Bursa Malaysia launched the world's first syariah-compliant Bursa Carbon Exchange (BCX).

BCX provides three modes of carbon trading: auctions of car-

bon credits; spot trading for standardised contracts of carbon credits; and off-market transactions.

The exchange only accepts carbon credits abiding by the Verified Carbon Standard (Verra), an international carbon credit standard.

Industry players have said that many operators of Malaysian-based projects are interested in being part of BCX, but there are several challenges, among them the high cost involved in developing carbon projects.

An auction took place on the BCX in March this year, which saw local companies purchase a total of 150,000 Verra-registered carbon credits.

In March, Prime Minister Datuk Seri Anwar Ibrahim said Putrajaya was committed to a RM10mil fund to act as an assured demand for Malaysian-generated carbon credits to kickstart the market.