



MINISTRY OF NATURAL RESOURCES AND  
ENVIRONMENTAL SUSTAINABILITY

## KEYNOTE SPEECH

**NIK NAZMI NIK AHMAD**  
**MINISTER OF NATURAL RESOURCES AND**  
**ENVIRONMENTAL SUSTAINABILITY**

FOR

**UNLOCKING CAPITAL FOR SUSTAINABILITY**  
**(UCFS) 2024**

**24 JULY 2024 (WEDNESDAY)**

**SECURITIES COMMISSION,**  
**KUALA LUMPUR**

**YBhg Datin Azalina Adham**

Managing Director, Securities Commission Malaysia

**Ms Jessica Cheam**

Founder and Managing Director of Eco Business

Distinguished guests, ladies and gentlemen

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Malaysia Madani.

1. I am delighted to be sharing a stage with so many distinguished speakers today as we gather at the third Malaysian edition of *Unlocking Capital for Sustainability 2024*. My thanks to the organisers for their kind invitation to this event which has and I am sure will continue to grow from strength to strength.
2. As the 2030 Sustainable Development Goals deadline looms, United Nations officials have issued a stark warning. Despite notable strides in Asia, no single country is on track to meet them. At the current pace, it will take another 32 years for the region to achieve the 2030 Agenda.
3. The next five years will hence be pivotal. To bridge the trillion-dollar funding gap necessary for Asia to regain momentum, we must mobilise resources through clear policies, robust investment plans, and strategic partnerships.

4. I am honoured to be a part of this conversation, hosted by the Eco-Business in partnership with United Nations Environment Programme Finance Initiative (UNEP FI) that is taking place this year in six countries across Asia, and which convenes decision makers across society to discuss and strengthen responses to these urgent questions.
5. In terms of my Ministry's part of the equation, the government has been working hard to put together the right policies, roadmaps, and initiatives in place to decarbonise our economy, especially the hard-to-abate sectors, without sacrificing growth and development.
6. To that end, we are continuing to work on implementing the National Energy Transition Roadmap, or NETR. Among the several key initiatives we have taken so far to decarbonise our industry is the removal of blanket fossil fuel subsidies, starting with diesel last month.
7. My colleagues in the Economy Ministry are also putting together a bill on carbon capture and storage to be tabled in Parliament later this year. It is important to emphasise that CCUS technology is just one in a wide range of strategies that we are pursuing to address climate change and decarbonise the economy. It cannot be seen in isolation but rather as complementing our wider efforts and decarbonisation levers.

8. NRES is also committed to tabling a Climate Change Bill in Parliament by 2025. We have recently begun visiting states and speaking to local governments and authorities to hear their concerns and input on this bill. We are also ensuring that the voices of the private sector and civil society are heard through the establishment of engagement forums namely advisory and consultative panels on climate change. These panels involve various groups of stakeholders such as the private sector, financial institutions, academia, non-government organisations, and youth.
9. We have also recently launched a National Decarbonisation Committee, which I chair and will be happy to go into more detail about after this during the fireside chat.

Ladies and gentlemen,

## **DECARBONISATION PATHWAYS FOR SMEs**

10. As we all know, SMEs are the backbone of Malaysia's economy. Their collective efforts are crucial in ensuring that we can decarbonise fast enough to meet our national commitment to meet net zero in 2050.
11. With sustainability-related discourses taking root both locally and internationally, many of our SMEs who are part of the global and domestic supply chain will be required to step up their ESG disclosures.

12. Amid a challenging economic landscape, we know that many are finding it difficult to build capabilities in understanding carbon and sustainable development. Indeed, this is something even giant multinationals struggle with—much less small local firms.
13. Recognising this, the government, regulators, and private institutions have developed a wide range of tools to support SMEs in their sustainability reporting journey. For instance, the iESG initiative, which specifically caters to SMEs, is a crucial component of the New Industrial Master Plan (NIMP) 2030.
14. I am encouraged to hear from the organisers that the first session of today's event brought together regulators, banks and SMEs to discuss the best way forward in helping SMEs along in their sustainability journeys.
15. We need to continue seeing conversations like these happen and to ensure that these partnerships go from talk to action. There is also a great need for us to ensure SMEs in East Malaysia, as well as the rural and remote areas of the Peninsula are also engaged and aided as needed.

Ladies and gentlemen,

## **FINANCING THE ENERGY TRANSITION**

16. One of the key pillars towards achieving our national target of net-zero in 2050 is Malaysia's energy transition strategy. It has been almost a year since the NETR was launched. Of course, Deputy Prime Minister Datuk Seri Fadillah Yusof now oversees the country's energy transition. Nevertheless, NRES and all other ministries work in tandem to support the country's energy transition and I am glad to see that this is a topic of major discussion at today's event.
17. You would know by now that we are committed to halving Malaysia's coal fleet by 2035 and achieving a complete phase-out by 2044. More recently, the National Climate Change Action Council, chaired by our Prime Minister Dato' Seri Anwar Ibrahim, agreed last month to speed up on additional policies to support policies such as the New Industrial Master Plan (NIMP) 2030 and the Hydrogen Economy and Technology Roadmap (HETR).
18. There are many commercial opportunities offered by this transition, and I urge the private sector to take part and invest in this wider economic transformation for the country.
19. It is also important for us to uphold the principles of social justice and ensure that this transition is a just and orderly one. We have already mentioned the need to empower SMEs. We must also realise that ensuring climate adaptation does not result in a fall in living standards as this will be crucial to maintain public support for it.

20. Financing from developed countries is one part of the puzzle. It will be the major focus of this year's COP29 in Azerbaijan and Malaysia will continue to uphold the principle of equity and common but differentiated responsibilities and respective capability and developed countries need to be held accountable to provide financing. But we also need our own skin in the game and this is where we must work to identify and create innovative financing solutions within our own borders.

21. I note that part of today's programme which took place in the morning, dwelt on energy transition and how we are going to finance it. This is a welcome development as investing in infrastructure is something the government cannot afford to go alone on. To cite just one well-known example, the amount of investment needed for NETR to succeed is as high as RM1.2 trillion.

22. On our part, we are enabling the right regulatory frameworks to enable investment in sustainable infrastructure, including the tripling and scaling of renewable energy capacity in the country.

Ladies and gentlemen,

## **ENCOURAGING BOARD GOVERNANCE**

23. I am heartened to see that this year's UCFS Summit is considering different angles when delving into how companies can succeed in their sustainability journey.

24. As we focus our attention on hardware, namely, as well as the infrastructure, government mandates and regulations to drive our sustainability calculations and progress, what is also equally important is the “software”; the heart of the corporate governance culture we want to instil in this country.
25. Both the public and private sector must understand and work to support the country’s sustainability journey. For the latter, the boards of companies play a critical role. They already oversee the companies’ strategic direction, its risk burdens, and their conduct.
26. There is a great need, moving forward, for additional areas of concern like sustainability, mindfulness of carbon emissions and environmental impacts to be added to their responsibilities. And more importantly, how can directors help their companies adapt or even profit as we transition?
27. I’m glad to see that this topic is also on the agenda at this forum. It simply makes sense if businesses are to survive. There will be no profit at all if the world is destroyed due to climate change. But if all sectors of society play our part—we can radically transform our way of life and economies for the better.



28. In conclusion, I would like to firmly re-state the government's commitment to sustainable development, as well as our commitments under our NDCs that are part of the Paris Agreement. We cannot achieve this alone, and ask for the private sector and civil society leaders to work with us to achieve our shared ambition under the Global Goals.
29. The political will is there and so is the leadership. These must now emerge in all other areas of our national life—including the private sector. I believe events like this are positive signals that such sentiment is indeed emerging. Thank you for your participation and passion—I wish you all a very productive Summit ahead and I am very much looking forward to the fireside chat ahead.