



# Climate change governance to be strengthened

*This is as the global phenomenon is posing real threats to the country*

by ASILA JALIL

**THE** government is strengthening its national climate change governance to support the climate change agenda as the global phenomenon is posing real threats to the country.

Ministry of Environment and Water (KASA) secretary general Datuk Seri Dr Zaini Ujang said the latest climate projection for Malaysia indicates that the average annual surface temperature increases will range from 1.9°C to 2.1°C by the end of the century.

The average annual rainfall in Malaysia is also expected to rise from 14% to 25% while the sea level is projected to continue rising to about 0.73m by the end of the 21st century.

"To support the implementation of the national climate change agenda, the government is strengthening its national climate change governance. Among others, KASA is reviewing the 2009 National Climate Change Policy, developing the national climate change legal framework as well as establishing the National Greenhouse Gases (GHG) Centre under KASA this year.

"The centre will serve as a central entity that manages GHG inventory-related data to increase transparency in national climate change information reporting," he said in his welcome address during the Supply Chain Sustainability webinar yesterday.

He said Malaysia has successfully updated its Nationally Deter-



Zaini says the govt is formulating a carbon pricing policy to support the climate change agenda

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mined Contribution to the United Nations Framework Convention on Climate Change with a target to reduce its economy-wide carbon against GDP of 45% in 2030 compared to the 2005 level.

The pledge was made unconditionally and is 10% higher than the government's previous target.

"During the unveiling of the 12th Malaysia Plan on Sept 27, 2021, the prime minister had announced that Malaysia has set the aspiration to achieve net-zero GHG emissions target earliest by 2050.

"The fulfilment of this target is contingent upon the completion of

the long-term low emissions development strategy, currently being developed by KASA and expected to be finalised by the end of 2022," he said.

The government is also formulating a carbon pricing policy in its effort to support the climate change agenda.

KASA has also developed the International Voluntary Carbon Markets Guidelines as a reference for all stakeholders including the private sector who wants to take part in international carbon credit trading.

The government has also agreed to develop the Domestic Emissions

Trading Scheme to be implemented by the ministry in collaboration with the Finance Ministry and Bursa Malaysia.

Zaini said the private sector can leverage on the scheme to undertake carbon credit transactions at the domestic level and encourage industries to transition to low-carbon pathways while attracting more green investment into the country.

"As part of our strategies to address the climate change issue, we encourage companies in Malaysia to declare the aspiration of net zero GHG emissions in ensuring the sustainability of the company's operations.

"Given that small and medium enterprises (SMEs) contribute 38.9% to Malaysia's overall GDP, SMEs have an extremely vital role to play in the national climate change agenda.

"Even the smallest businesses produce carbon emissions, whether it's through your premises, the vehicles you use or your supply chain, for example. By developing an enterprise GHG inventory, you will be able to understand both the direct and indirect impacts of your business' operations to the environment," he added.

KASA and Capital Markets Malaysia (CMM) have launched an initiative to advance the adoption of environmental, social and governance practices by SMEs in the country.

The webinar is the first in a series of capacity-building initiatives to support SMEs in developing corporate sustainability programmes that will strive to meet the nation's aspiration to achieve net zero GHG emissions earliest by 2050.

Both parties are collaborating to support SMEs seeking to decarbonise and transition their operations to become more sustainable businesses.

Meanwhile, CMM chairman Datuk Zainal Izlan Zainal Abidin said a sustainable supply chain is positive for both the people and the planet, and also for profit as it supports long term business growth.

He cited a study by Standard Chartered plc published last year which revealed that by 2025, 78% of multinational corporations (MNCs) will remove suppliers that endanger their carbon transition plan.

"The study, which looks at the risks and opportunities for suppliers in emerging and fast-growing markets as large corporations transition to net zero, also found that MNCs expect to exclude 35% of their current suppliers as they transition away from carbon," he said.

He also acknowledged that it may be daunting for some SMEs to operationalise a sustainability plan and they would also find it complex and highly challenging, but at the same time crucial and cannot be avoided.

"And do remember that the SMEs in turn would require their suppliers to similarly embrace the same agenda.

"Having said that, the objective of our engagement today is to support the SMEs' sustainability journey. Among the first steps is to acquire practical knowledge such as understanding the data requirement that facilitates assessment, by existing and potential customers, on the SMEs' state of readiness in becoming suppliers with sound sustainable practices," he added.