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Record of the facilitative sharing of views at the fifty-sixth session of the Subsidiary Body for Implementation: Malaysia

Note by the secretariat

Abbreviations and acronyms

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| BUR | biennial update report |
| CO ₂ eq | carbon dioxide equivalent |
| COP | Conference of the Parties |
| ETF | enhanced transparency framework under the Paris Agreement |
| FSV | facilitative sharing of views |
| GHG | greenhouse gas |
| ICA | international consultation and analysis |
| IPPU | industrial processes and product use |
| LULUCF | land use, land-use change and forestry |
| MRV | measurement, reporting and verification |
| non-Annex I Party | Party not included in Annex I to the Convention |
| SBI | Subsidiary Body for Implementation |

I. Background and mandate

1. COP 16 decided to conduct, under the SBI, ICA of BURs from non-Annex I Parties, in a manner that is non-intrusive, non-punitive and respectful of national sovereignty, with the aim of increasing the transparency of the mitigation actions and their effects reported by those Parties.¹
2. COP 17 adopted the ICA modalities and guidelines,² according to which the ICA process consists of two steps: technical analysis of non-Annex I Parties' BURs by teams of technical experts, resulting in a summary report for each Party; and FSV, to which the BURs and summary reports serve as input.³
3. Pursuant to the ICA modalities and guidelines, the SBI convened on 7 and 8 June 2022 in Bonn at SBI 56 the twelfth FSV workshop, open to all Parties, for the following nine

¹ Decision 1/CP.16, para. 63.

² Decision 2/CP.17, annex IV.

³ Decision 2/CP.17, annex IV, para. 3.

non-Annex I Parties for which there was a BUR and final summary report⁴ by 21 March 2022 : Chile, Cuba, Egypt, Malaysia, Namibia, Panama, Singapore, Thailand and Zambia.

4. The workshop, chaired by the SBI Vice-Chair, Juan Carlos Monterrey Gomez, comprised two two-hour sessions and one 90-minute session.

5. As one of the participating Parties, Malaysia received 18 written questions in advance of the FSV workshop⁵ from Australia, the European Union, Japan, New Zealand and the United States of America. This FSV record for Malaysia summarizes the proceedings and, together with the summary report on the technical analysis of its third BUR,⁶ constitutes the outcome of the third round of ICA for the Party.

II. Summary of proceedings

6. On 7 June 2022 Malaysia made a brief presentation on its third BUR. The presentation was followed by a question and answer session.

7. Malaysia was represented by Zaini Ujang from the Ministry of Environment and Water.

8. Malaysia presented an overview of its national circumstances and institutional arrangements, national inventory of anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, mitigation actions and their effects, support needed and received, and actions being taken regarding the transition to the ETF.

9. Malaysia presented its current initiatives on the formulation of new action plans and the establishment of a legally binding framework for compliance with requirements specified by the ETF. The initiatives aim to mainstream and align the country's climate change agenda with its national strategies and actions plans and strengthen its MRV framework. Malaysia recently approved the establishment of the National GHG Inventory Centre to strengthen its effort to transition to the ETF.

10. Malaysia highlighted that its total GHG emissions in 2016 were 316,833.23 Gg CO₂ eq excluding LULUCF and 75,488.48 Gg CO₂ eq including LULUCF. Emissions increased between 1994 and 2016 by 167.3 per cent without emissions and removals from LULUCF and by 70.8 per cent with emissions and removals from LULUCF, owing mainly to emissions from the energy sector. The main drivers of the emission trends are the increased use of fossil fuels for electricity generation and transport activities in the energy sector, cement production in the IPPU sector and use of fertilizers and rice cultivation in the agriculture sector.

11. Malaysia presented key policies and measures for achieving its mitigation action targets, including the National Renewable Energy Policy and Action Plan 2010, the Renewable Energy Act 2011, the National Energy Efficiency Action Plan 2016, the National Land Public Transport Master Plan 2012 and the National Automotive Policy 2014, as well as national policies to promote waste recycling and energy recovery from waste, use of environmentally sustainable substitute raw materials in cement production and a certification programme for organic farms and sustainable timber harvesting. Mitigation actions contributed to avoided emissions amounting to 35,889.40 Gg CO₂ eq in 2016, with forestry being its main source, representing 56.6 per cent of total emission reductions. The Party reported information on its involvement in international market mechanisms, namely the clean development mechanism (12,314,456 certified emission reductions issued) and the voluntary carbon market (545,319 verified carbon units issued). In addition, the Party also highlighted MRV arrangements for mitigation actions.

12. Furthermore, Malaysia provided information on financial, technology transfer and capacity-building support needed to carry out various climate change related activities in the energy, IPPU, waste, agriculture and LULUCF sectors. Support is also required for climate

⁴ The BURs and summary reports for each ICA cycle are available at <https://unfccc.int/BURs> and <https://unfccc.int/ICA-reports>, respectively.

⁵ As per decision 2/CP.17, annex IV, para. 6.

⁶ FCCC/SBI/ICA/2021/TASR.3/MYS.

modelling, disaster risk management, water, public health and other cross-cutting areas. The Party also reported financial, technology and capacity-building support received from some Parties included in Annex I to the Convention and international funding agencies for climate change activities, including on developing institutional and technical capacity on reporting in accordance with UNFCCC reporting requirements, developing a comprehensive national adaptation plan, applying green and energy-efficient technologies, establishing an MRV system and engaging in UNFCCC climate change negotiations.

13. Following the presentation, the following Parties made interventions commending Malaysia on its efforts and asked questions seeking further clarification: Australia, Austria, China, Czechia, European Union, India, Japan, Malawi, Netherlands, Panama, Singapore, Sudan, United Kingdom of Great Britain and Northern Ireland and United States of America.

14. Questions on the GHG inventory related to Malaysia's plan to report in detail the methodologies used in its national GHG inventory in future reporting; the most challenging sector(s) for estimating GHG emissions or removals and the nature of the challenges faced so far (such as whether they are related to data availability or methodology); and further elaboration on any challenges faced while documenting and archiving data and information required for GHG inventories and ways to overcome them.

15. In response, Malaysia explained that it has developed a national GHG inventory improvement plan consisting of various activities such as improving the quality of the activity data, developing country-specific emission factors and developing and applying appropriate methodologies. The implementation of the improvement plan will enable the Party to fulfil the reporting requirements. The IPPU is the most challenging sector for estimating GHG emissions owing to the existing data and information gaps. The Party is applying data extrapolation methods to fill such gaps. In addition, the key challenges for documenting and archiving data and information for the national GHG inventory include ineffective coordination and communication between relevant stakeholders and lack of institutional ownership and memory of data and information. To overcome these challenges, the Party is developing a GHG information management system.

16. Questions on the mitigation actions and their effect related to measures taken by Malaysia to reduce emissions in the energy and forestry sectors; information on energy sources other than small-scale hydropower that could play an important role in achieving emission reductions in the future; further details of any plan in Malaysia to strengthen and improve strategies and policies for energy efficiency; and further elaboration on mitigation actions in the IPPU sector and their effects.

17. In response, Malaysia explained that it intends to increase the share of electricity generated by renewable energy sources in the national energy mix, with a target of 40 per cent by 2035, in order to reduce emissions in the energy sector. The Party has increased its carbon sink since 2009 owing to its efforts to significantly reduce deforestation and enhance sustainable forest management (such as imposing a timber harvesting cap in 2005). The Party is focusing on scaling up the use of renewable energy sources, such as solar power, bioenergy and small-scale hydropower. It plans to introduce the Energy Efficiency and Conservation Act at the earliest by 2022 to regulate the consumption of electricity and thermal energy in the commercial and industrial sectors by promoting energy-efficient behaviours and technologies among consumers. In addition, the Party explained that it did not report estimated GHG emission reductions from mitigation actions in the IPPU sector owing to the limited data availability and poor quality of available data. To overcome this challenge, the Party is strengthening the capacity of relevant agencies and private sector entities for collecting and sharing required data and using appropriate methodologies to estimate emission reductions resulting from mitigation actions in the IPPU sector.

18. Other questions related to the information on progress made in establishing a legally binding framework on climate change, including the provision of legislative guidance on the current MRV systems and the ETF in the future; and the improvements made by Malaysia in its reporting, building upon the experience gained from its participation in the last two ICA cycles. In response, the Party explained that it is in the final stage of developing a climate change bill, which will be presented for Cabinet approval by the first quarter of 2023, at the earliest. In addition, the major improvements in reporting include use of the *2006 IPCC*

Guidelines for National Greenhouse Gas Inventories instead of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*; development of a complete inventory of GHG emissions and removals for all sectors; improved coordination and communication between national GHG inventory compilers and data providers; quality control and assessment of data and enhancement of the national capacity for accounting the effects of mitigation actions and policies.

19. The presentation and subsequent interventions are accessible via the webcast of the workshop.⁷

20. In closing the workshop, the SBI Vice-Chair congratulated Malaysia for successfully undergoing FSV and completing the third round of its ICA process. He thanked Malaysia and all other participating Parties for engaging in the workshop in a facilitative manner. He also thanked the secretariat for its support.

⁷ Available at <https://unfccc.int/event/12-th-workshop-for-the-facilitative-sharing-of-views-part-1>.