

ARTICLE 6.8 IN-SESSION WORKSHOP COP28, DUBAI UAEI

# Enhancing Sustainable Financing through Development of Forest Conservation Certificate



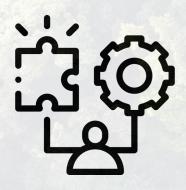


Approved by the Cabinet of Malaysia on 28 August 2020. Incorporated on 30 June 2021 under Company's Act as CLBG, under the purview of MINISTRY OF NATURAL RESOURCES, ENVIRONMENT & CLIMATE CHANGE

## **Mandates**



Develop and implementation of innovative finance strategies



Develop strategies, guidelines and procedures



Develop and operationalise forest innovative financing initiatives



Facilitate
communication
public, stakeholders,
and industry player



Verification and reporting on the developed forest initiatives.



#### Overview | Governance





**KPIs** 

#### Maintain >50% Forest Cover Delivery of Policy on Biological Diversity Climate Target - NDC



#### Natural Resources Sector

- 1. Dasar Perhutanan Malaysia
- 2. Dasar Kepelbagaian Biologi Kebangsaan 2022-2030
- 3. Pelan Strategik Perhutanan Sosial 2021-2025
- 4. Strategi REDD Plus Kebangsaan
- 2030
- 6. Panduan Pasaran Karbon Sukarela Sektor Hutan

#### **Energy, Environment & Climate Change Sector**

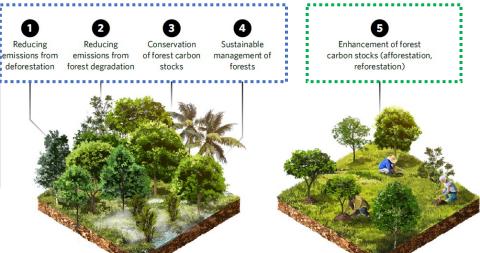
- 7. Dasar Tenaga Negara 2022-2040
- 8. Strategi Jangka Masa Panjang Pembangunan Rendah Karbon
- 9. Low Carbon Mobility Blueprint 2021-2030
- 10. National Low Carbon Cities Masterplan
- 5. Kerangka Pelan Transformasi Industri Mineral Negara 2021- 11. Pelan Hala Tuju Malaysia ke Arah Sifar Plastik Sekali Guna 2018-2030
  - 12. Rangka Kerja Pelestarian Plastik Malaysia 2021-2030

.....and more





#### **Emission reductions Emission removals**



#### **NON-MARKET FINANCING** - Article 5 and Article 6.8 Paris

Agreement, result based payment including GCF REDD+; IDB World Bank **SCALES** and **private sector** donations

#### MARKET-BASED FINANCING

activity credited under Voluntary Carbon Market or Domestic Compliance Market



\$ to support forest conservation & restoration and whilst facilitate the delivery of **National Agendas** in forestry, biodiversity & climate change

## Overview | RFF Instruments

Malaysia's REDD Plus Finance Framework (RFF) Is an innovative finance strategies to generate positive incentives for the protection, conservation and sustainable management of forests





Reduce Emissions from **Deforestation & Forest Degradation** 



Pursuance of sustainable management of forests

# **FOREST** CONSERVATION **CERTIFICATE (FCC)**

A NON-MARKET **INSTRUMENT** that Voluntary Contribution By Private Sectors To Support Conservation Activities

# **FOREST CARBON** OFFSET (FCO)

A MARKET INSTRUMENT that focus on on high quality and verified GHG emission reduction and removals enhancement





































Stocks

# Overview | RFF Instruments

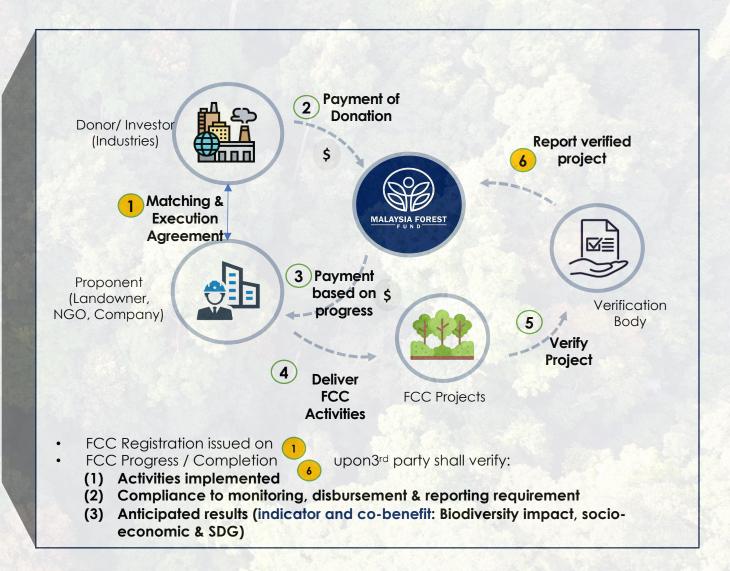


# FOREST CONSERVATION CERTIFICATE is a non-market mechanism which recognise contribution from donors in conservation and sustainable management of forest

# **Eligible REDD Plus Activities**



Donor are eligible for tax deduction of up to 10% aggregate income under the provision of 44 (11c) (2023 to 2027)





# Key Highlight for Governance & Management for Forest Conservation Certificate (FCC)





# TRANSPARENCY & DISCLOSURE IN RFF REGISTRY

- Applications received
- Projects approved (Registered Projects)
- ☐ The progress and results of the verification and certification
- All information on disbursement and project progress



# ACCOUNTABILITY & SEPARATE ACCOUNTING

- Annual Report MFF shall maintain a separate financial statement of accounts
- ☐ Independent evaluations report assess the effectiveness of the Fund's projects



# 3rd PARTY VERIFICATION & CERTIFICATION

- Verification is the assessment of the project by an Approved VB
- ☐ FCC for registration & FCC for progress/
  completion



# TAILORED FUNDING

- Administration & Project support staff
- Project Activities, Materials and equipment
- Monitoring and evaluation
- Publishing/Documentation
- Vehicles & Infrastructure



# TAX INCENTIVE

□ tax deductions of up to 10% of aggregate income under the 44 (11c), Income Tax Act

# Overview | REDD Plus Mechanism

# Realising the complexity of NBS, MFF has undertaken rigorous engagement with the state government to assess opportunities and challenges





# State Visit (15)

with the State Deputy Secretary, State Forestry Director, UPEN/BPEN and State Treasury



## Workshops (7)

with the State Forestry Department for PM, Sabah and Sarawak



## Hands on Training (4)

For REDD Plus Finance Framework & Carbon stocks assessment with the Middle Management (Forestry, UPEN/BPEN & Treasury)







"When is now, if not today!"



I Thank you I