

4th December 2018, Securities Commission Malaysia

ENVIRONMENT RELATED GOALS

1. The government has signed the Paris Agreement and has a National Determined Commitment to **reduce carbon emission** intensity by 45% relative to 2005 levels. A target of 35% is unconditional, whereas the 45% target is conditional on technology transfer and financial assistance from developed countries.
2. A **National Adaptation and Mitigation Plan on Climate Change** will be developed to address climate change risk.
3. **Energy Efficiency**: The first draft of the Energy Efficiency Conservation Act is expected to be ready next year, and the Minister hopes to have this passed by 2020.

INITIATIVES, PROGRAMS AND INCENTIVES

4. **Climate Change**:
 - a. **The government will develop a Climate Change Act** in 2019 and initiate steps towards introducing Carbon Reporting within the next 3-4 years
 - b. Government will set up a **Climate Change Centre**, to with the aim of capacity building.
5. **Renewable Energy**: The government's renewable energy target is to grow from 2% to 20% by 2025.
 - a. The Ministry will introduce a Net Energy Metering Policy to encourage solar use by corporations. Use of solar panels has become more affordable in recent years as costs have dropped by 80% in price since 2009.
 - b. The government is looking into the viability of launching **Renewable Energy Certificates**
 - c. **100% Rural Electrification** – MESTECC is working with the Ministry of Rural Development to electrify rural areas in Malaysia. The Minister has identified this as a potential CSR project for corporations should they wish to partner with MESTECC in sponsoring a village for electrification.
 - d. As the country is moving towards rewarding energy efficiency, the government will incentivise companies that are energy efficient and penalize those that aren't.
 - e. Tax allowances that will be introduced:
 - **Green Investment Tax Allowance** for purchase of green assets. Number of assets classified as 'green' will be increased from the current 9 to 40 that may be claimed under GITA. This will be implemented before 1 Jan 2019.
 - **Green Income Tax Exemption** – for companies providing green services – tax exemption to be provided
6. **Environment**: The government will enforce the Environmental Quality Act.
 - a. As such the Ministry will carry out programs on education and engaging the private sector in adhering to existing regulations on environmental protection.
 - b. **Single Use Plastics** – Government's target is zero use of Single Use Plastics by 2030.
 - c. To promote recycling, a **Circular Economy Roadmap** will be developed in 2019, to be released in 2020. The government will also draft E-waste regulations to manage waste of electronic equipment.
7. **Green Financing**:
 - a. In building a Green Ecosystem private financing is key. MESTECC is working with Securities Commission Malaysia in creating a taskforce in developing a **Green Financing Roadmap** to facilitate green projects.
 - b. Under the **Green Technology Financing Scheme** the government has allocated RM 2 billion and will provide a 60% guarantee to banks for the financing of small renewable energy and energy efficiency projects, as well as a 2% subsidy on total profit rate.
8. **Science and Technology**:
 - a. The Ministry is piloting a project entitled Public Researchers and Industry Matching Programme. Companies wishing to conduct research on green projects may request for researchers from MESTECC to provide their services over a period of 2 years.
 - b. **A Mobile Science Centre** will be created to benefit schoolchildren in rural areas in an effort to encourage interest in science and technology and to create awareness of initiatives amongst schoolchildren. The Ministry's aim is to reach 1 million schoolchildren in 2019. The Minister has identified this as a potential CSR project for corporations.