



OFFICIATING SPEECH
MINISTER OF NATURAL RESOURCES, ENVIRONMENT & CLIMATE
CHANGE (NRECC)

PRAXIS 2023: ADVANCING MALAYSIA'S STRATEGIC INTERESTS

24 OCTOBER 2023
ISIS MALAYSIA

Bismillahirrahmanirrahim.

YBhg Professor Dr Mohd Faiz Abdullah,
Chairman of ISIS Malaysia,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

Assalamualaikum warrahmatullahi wabarakatuh,
Good afternoon.

- 1) At the outset, I would like to extend my gratitude to ISIS Malaysia for this opportunity to articulate my thoughts on the need for a nature positive economy in Malaysia.
- 2) A nature positive economy, as we see it, aims to foster a sustainable development model that restores, protects, and enhances natural ecosystems while contributing to economic growth and equitable wealth generation for the people.

The need for a nature positive economy

- 3) This represents a paradigm shift from the traditional development model wherein economic objectives are paramount. Rather, what must happen moving forward is for development to occur in harmony, rather than at the expense of natural ecosystems.
- 4) The need for this is incontrovertible.
- 5) The United Nations has stated that “climate change is the defining issue of our time, and we are at a defining moment”. Secretary-general, Antonio Guterres, remarked that “the era of global warming has ended” and that “the era of global boiling has arrived”.

- 6) As the planet continues to heat up, rising sea levels increase the risk of catastrophic flooding and displacement. At the current rate, sea levels will be 1 to 1.6 meters higher by the end of the century. This means that in less than 80 years, between 250 to 400 million people globally will be displaced by rising sea levels.
- 7) Erratic weather patterns will threaten agriculture and undermine food security. The International Labour Organisation, or ILO, estimates that by 2050, the risk of hunger is expected to increase by 10 to 20% relative to a no climate change scenario.
- 8) Further, the International Monetary Fund, or IMF, warns that in the absence of mitigation policies to address rising global temperatures, global real GDP per capita could be shaved by more than 7% by the end of the century.
- 9) In terms of global public health, the World Health Organisation, or WHO, cautions that between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year, attributed to malnutrition, malaria, diarrhoea and heat stress. These costs to health are estimated to range between USD2 to 4 billion annually by 2030.
- 10) With Malaysia historically benefitting from its wealth of natural resources, any reduction would have implications on our economy. A study by the World Bank suggests that Malaysia may lose up to 6% of its GDP should there be a collapse of the country's forestry and fisheries ecosystems.

- 11) Beyond economic considerations, Malaysia also has an overriding responsibility to protect its biodiversity. As the custodian of one of the 17 megadiverse countries in the world, our protection of the biodiversity found within our borders represent our contribution to mankind.
- 12) Here, it is crucial to remember that our natural forests play a vital part in meeting our net zero aspirations as early as 2050. These forests function as an invaluable carbon sink offsetting approximately 77% of Malaysia's annual greenhouse gas emissions.
- 13) Meanwhile, Malaysia's natural ecosystems supply food, water, clean air, along with protection against extreme weather and climate disasters which will intensify in both frequency and scale.
- 14) All this goes to say that our environmental security is inherently tied to Malaysia's strategic interests, its economy, and the wellbeing of its people.

Malaysia's role as a developing country

Distinguished delegates,

- 15) Despite being a developing country, Malaysia is not shirking its responsibility to the environment and the planet. Malaysia intends to reduce the intensity of greenhouse gas (GHG) emissions across

the economy by 45% (based on GDP) in 2030 compared to 2005 level as its Nationally Determined Contributions (NDC).

16) This reduction will primarily come from increasing efficiency and transitioning towards greener alternatives in the energy, agriculture and land use change sectors.

17) Stricter sustainability regulations are also trending globally. We at the Ministry view them as opportunities to increase our competitiveness.

18) For starters, the Malaysian government has already committed to ensuring that any palm oil expansion does not result in forest loss, while also maintaining 50% of our country's forest cover.

19) Here, I am pleased to share that we have managed to reduce our primary forest loss by 57% as of 2022, placing Malaysia fourth among the top 10 countries for reduction in primary forest loss last year. This, as the Global Forest Watch puts it, is at near record-low levels.

20) To synergise conservation efforts with development, the former will be complemented with nature-based solutions to ensure win-win outcomes. For example, a recent study by United Nations Development Programme, or UNDP, has valued the ecosystem services that Taman Negara National Park, Royal Belum State Park and Endau-Rompin National Park produces at approximately RM1.7 billion, RM531 million and RM428 million annually.

- 21) To further encourage and incentivise state governments to conserve their forests, the federal government has increased the Ecological Fiscal Transfer allocation from RM150 million to RM200 million in 2024 as announced by Prime Minister in budget speech. This, of course, is distributed conditionally – depending on the efforts introduced to conserve existing protected areas and the gazettelement of new protected areas.
- 22) For our biodiversity, Malaysia adopted the Kunming-Montreal Global Biodiversity Framework’s four goals and 23 targets in December last year. Further demonstrating our commitment to protecting our biodiversity, we launched the National Policy on Biological Diversity just earlier today.
- 23) Lastly, and it would be obvious to all of you that many countries are now looking to establish and promote carbon markets. Bursa Malaysia had launched Bursa Carbon Exchange (BCX) in December 2022, the world’s first shariah compliant VCM trading platform to provide platform for voluntary carbon market.
- 24) Moving forward, my Ministry is drafting the national carbon policy to provide guidance on carbon trading. This is to also ensure that carbon credits will be of high quality and aligned with international obligations.
- 25) The establishment of a well-regulated carbon market has the potential of reducing deforestation, improving biodiversity protection and carbon sequestration, and addressing poverty.

26) Entire livelihoods are dependent on our forest. On this, it is also imperative that we ensure that indigenous populations and vulnerable communities are not marginalised when drafting the national carbon market policy. Their free, prior and informed consent will be important to ensure that all stakeholders are aligned in this important endeavour.

27) In other words, the carbon trading and carbon market must strike a balance between the triple bottom line of planet, people, and profit.

Moving forward and PRAXIS 2023

Distinguished delegates,

28) At this juncture, it is no less than evident that we must harmonise our economic imperatives with the protection of natural ecosystems. We can no longer afford to view economic development as separate from the environment and biodiversity. The rigid dichotomy that existed in the past must remain in the past.

29) From a policymaking standpoint, the government has a responsibility to lead without hesitation. We must come together to identify synergies between the needs of the planet, government objectives, private sector imperatives, and the people's best interests.

30) As we draw this discourse to a close, let us remember that the path to a sustainable and resilient future is not one we walk alone. It is a collective journey, guided by the principle that our actions today shape the world of tomorrow.

31) Thank you, and may our shared commitment to a greener, more sustainable future guide us in the days ahead.

Thank you.

**YB NIK NAZMI BIN NIK AHMAD
MINISTER OF NATURAL RESOURCES, ENVIRONMENT AND
CLIMATE CHANGE (NRECC)**

19 OCTOBER 2023