



MYD Post-COP28 Report

Youth-Led Exploration of COP28 – Global Stocktake, Just Transition, Carbon Markets and Action for Climate Empowerment

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Malaysian Youth Delegation 2023

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Disclaimer

The views and opinions expressed in this report are attributed to the authors and may not necessarily reflect the official views of MYD. Any and all written errors are the authors' own.

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Table of Contents

Glossary	01
Executive Summary	02
Introduction	03
Global Stocktake (GST)	05
Just Transition	12
Carbon Markets (under Article 6)	16
Action for Climate Empowerment (ACE)	25
Conclusion	29
References	31

Glossary

ACE	Action for Climate Empowerment
BCX	Bursa Carbon Exchange
CDM	Clean Development Mechanism
CMA	Conference of the Parties serving as Meeting of the Parties to the Paris Agreement
COP28	28th Conference of Parties
ETS	Emission Trading Scheme
GHG	Greenhouse Gases
GST	Global Stocktake
ITMOs	Internationally Transferred Mitigation Outcomes
JCM	Joint Crediting Mechanism
JTWP	Just Transition Work Programme
LDCs	Least Developed Countries
MCU	Mitigation Contribution Units
NBS	Nature-Based Solution
NDC	Nationally Determined Contribution
NMA	Non-Market Approach
NRECC*	Ministry of Natural Resources, Environment and Climate Change
SDGs	Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market

*To preserve context, the now-Ministry of Natural Resources, Environment and Sustainability (NRES) as of publication will be referred to as NRECC, which was the name of the Ministry when COP28 was in session.

Executive Summary

Malaysia is committed to achieving the 1.5°C goal of the UNFCCC Paris Agreement by achieving net zero emissions as early as 2050. In adherence to this commitment, the Malaysian Youth Delegation (MYD) has diligently tracked and analysed four key elements under the Paris Agreement which includes the Global Stocktake (GST), Just Transition, Carbon Markets under Article 6, as well as Action for Climate Empowerment (ACE). This post-COP28 report comprises four main chapters for each track, which delves into the background of the respective agendas followed by key takeaways from COP28 negotiations and related implications offering insights into Malaysia's climate policy implementation. In addition to this, MYD also includes suggestions of initiatives by promoting the involvement of different stakeholders in pilot projects to increase collaborative approaches. Therefore, the objectives of this report are two-fold: first is to analyse the progress, challenges and potential improvements of negotiation outcomes, and second is to provide strategic recommendations to the government. By shedding light on the complexities of each agenda, MYD aims to work together with policymakers towards fostering a more sustainable and resilient future, aligning with Malaysia's international commitments in the fight against climate change. Lastly, MYD hopes to showcase the abilities and aspirations of youth in following negotiations at the international stage, whilst creating linkages for contributing towards climate action at the national policy level.

Introduction

The United Nations Framework Convention on Climate Change (UNFCCC)'s 28th Conference of Parties (COP28) took place during 30th November – 12th December 2023 in Expo City Dubai, United Arab Emirates (UAE). MYD successfully sent three representatives to attend the conference – Kieran Li Nair, Co-Focal Point; Lim Kai Sin, Co-Focal Point; as well as Yashirdisai Sampasivam, Capacity Building Working Group Member.

The UNFCCC negotiation pathways MYD followed throughout the conference are the Global Stocktake (GST – tracked by Kieran), Carbon Markets under Article 6 (tracked by Yash), Just Transition (tracked by Kai Sin), and Action for Climate Empowerment (ACE – tracked by Kieran). MYD outlined these tracks due to their relevance towards MYD's mission statement, linkage to Malaysia's climate priorities as well as their prevalence in the global climate agenda. Over the two weeks, MYD's representatives attended negotiation sessions of these topics as well as ones adjacent to these tracks, including Capacity Building, Response Measures, sub-clauses of Article 6 and so on, in order to follow the progress of discussions, measure deliverables and observe the conduct of international diplomats. They also attended the Group of 77 (G77) and China coordination meetings in order to better understand the Global North-South dynamics in climate negotiations.

Aside from tracking negotiations, MYD had the privilege of formally participating in several side events. At the Malaysian Pavilion, MYD hosted a panel session entitled "The Role of Youth in Climate Negotiations" during Multi-Level Action Day, where the perspectives of Global North and South youth climate negotiators in the international space were explored. While at the Monash Pavilion, MYD contributed to the "Modelling Best Practice Youth Consultation: Asia-Pacific Local Conferences of Youth Launch" by sharing our experiences organising the Malaysian Local Conference of Youth (#MYLCOY) since 2017.

MYD also had the opportunity to hold a bilateral meeting with YB Nik Nazmi bin Nik Ahmad, the Minister of Natural Resources, Environment and Climate Change (NRECC), to discuss MYD's role at COP28, observations at COP28 as well as Malaysia's climate agenda at COP28. Beyond that, MYD organised and facilitated an informal meeting for the Malaysian youth attending COP28 with Encik Muhammad Ridzwan Ali, who oversees national climate change policy development, coordination, and implementation under NRECC alongside responsibility as the Alternate National Focal Point of Malaysia to the UNFCCC, to answer questions they had regarding Malaysia's priorities and its participation in international UNFCCC processes.

Outside of all this, MYD met and networked with other youth groups, including others

based in Malaysia, regionally in Southeast Asia, as well as internationally, gaining broader perspectives of the international youth climate advocacy space, and discussing potential areas of collaboration to strengthen the presence and work being done in this regard.

A key deliverable of MYD's attendance at COP28 is to provide thorough documentation on its representatives' observations at the conference. Hence, the key objectives of MYD's Post-COP28 Report are as follows:

- To provide an overview of the highlighted negotiation tracks in the context of climate policies;
- To cover their proceedings throughout the two weeks at COP28;
- To link these negotiation tracks to Malaysia's context, as well as emphasise the role of international cooperation and negotiations in addressing these critical aspects of climate action; and
- To put forward local policy recommendations for these topics.

Through this report, MYD hopes to emphasise the importance of youth perspectives and capabilities, as well as the role they can play in the Malaysian climate advocacy, negotiations and policy process.

1. Global Stocktake

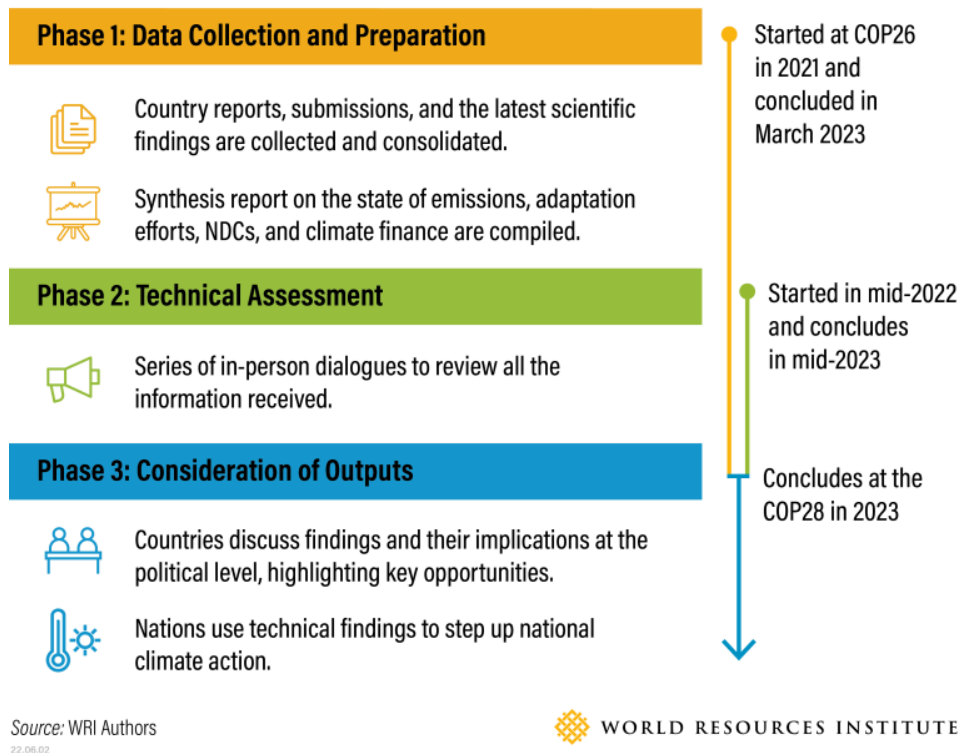
- ❖ Prior to COP28, the Global Stocktake's synthesis report called attention towards the need for more ambition and urgency in order to fulfil the Paris Agreement's obligations; the scaling-up of finance and technological transfers from developed nations to developing nations; as well as more inclusivity towards the needs and perspectives of grassroots and vulnerable communities.
- ❖ The "UAE Consensus" signalled the need to transition away from fossil fuels for the first time, however falls short of committing towards a phase-out; providing direction through the levers of mitigation, adaptation, finance, technology development and transfer, capacity building, loss and damage, response measures, as well as international cooperation.
- ❖ Malaysia should seek to boost the climate ambitions within its capacity, whilst calling for the accountability and commitment of the Global North in fulfilling its obligations.

Background

The Global Stocktake (GST) was the spotlight negotiation track of COP28, with the conference serving as its very first culmination. GST is known as the *ratchet mechanism* of the Paris Agreement, the five-year process outlined under Article 14 meant to monitor and assess the progress of Parties' Nationally Determined Contributions (NDCs) in line with the long-term, collective climate goals set out within the Paris Agreement, whilst informing nations' next formulation of their NDCs. Here, ratchet mechanism refers to how countries are meant to utilise the takeaways from the GST to scale up their climate ambitions over time, thus increasing global climate action.

Article 14 is also mentioned within Articles 4, 7, 9, 10 and 13 of the Paris Agreement, highlighting the roles and significance of NDCs, adaptation (here including loss and damage), climate finance, support (namely finance and technological transfer for mitigation and adaptation efforts) and transparency respectively within the GST.

The GST is conducted in three phases, as depicted below:



Source: World Resources Institute (2023). It should be noted that while *loss and damage* was clustered together with *adaptation* in the first iteration of the GST, the topic has since gained pertinence as a standalone area, especially after the decision at COP27 to establish the Loss and Damage Fund.

Prior to COP28, on 8th September 2023, the synthesis report of the first GST, “Technical dialogue of the first global stocktake: Synthesis report by the co-facilitators on the technical dialogue” was released. The purpose of the synthesis report was to inform negotiations at COP28. A brief summation of the report’s findings is as follows, and cements much of what is already being advocated for by various stakeholders, including that of civil society actors.

Within the overall context, while Parties are collectively making progress towards the goals outlined within the Paris Agreement, more ambition – and urgency – is required to assume the right trajectory, to which the world is currently not on track for. Part of strengthening the global response is the need to drive systems transformations in low greenhouse gas (GHG) emissions development; transparency and accountability measures; as well as with inclusion and equity principles at its core.

In terms of *mitigation*, including *response measures* (which describe initiatives Parties undertake in carrying out mitigation of GHG efforts), the synthesis report finds that the current rate of global emissions is not in line with modelled global mitigation pathways, and that there is a narrowing window to raising ambition and implementing existing commitments in order to limit global warming per the Paris Agreement. Ambition

(including more progressive mitigation targets within Parties' NDCs), support and urgent action are needed to do so. Systems transformations are required, especially in carrying out the just energy transition, wherein the report quotes that “[s]caling up renewable energy and phasing out all unabated fossil fuels are indispensable elements of just energy transitions to net zero emissions”. The report also highlights the crucial role of biodiversity and agriculture in reducing emissions, conserving and enhancing carbon sinks. Lastly, it calls for more international cooperation and economic diversification in order to bridge existing gaps and address the impacts of response measures.

Meanwhile, the synthesis report calls for the need of increased *adaptation* measures in order to avert, minimise and address *loss and damage* whilst responding to the increasing impacts of climate change, in particular for the most vulnerable communities. Adaptation measures need to be met, informed and driven by local contexts, populations and priorities in order to ensure the adequacy and effectiveness of its actions and support. In addressing loss and damage itself, the report stresses that “averting, minimi[s]ing and addressing loss and damage requires urgent action across climate and development policies to manage risks comprehensively and provide support to impacted communities”. Funding arrangements and financial flows must be scaled up in order to meet the increasing needs of addressing climate impacts, as well as the promotion of international cooperation for the sharing of best practices in implementing adaptation strategies.

As for *means of implementation, support and finance* flows as levers of the Paris Agreement. The role of climate finance – particularly as a means of support towards developing nations – was explicitly acknowledged, with climate finance “by the trillions” being deemed as crucial, including due diligence such as a systematic approach to international public finance which ensures the necessary and equitable access. This measure would be supplementary alongside the general scaling up of the mobilisation of support for climate action towards developing countries. The role of monitoring, evaluation and learning, the transfer of new and cleaner technologies, as well as capacity building to ensure “effective country-led and needs-based cooperation” was also noted upon.

Content

While the GST outcome aims to encompass the overall progress of global climate action since the establishment of the Paris Agreement in 2015, this section will primarily expand upon its results in addressing the role of fossil fuels.

Great expectations were hedged onto the outcome of the very first GST during COP28, in particular that towards the outcomes of fossil fuels. Repeatedly heralded as the “north

star” of the conference by COP28 President Sultan Ahmad Al Jaber, it would set the precedent for contributions from all stakeholders in limiting global warming to 1.5°C. Throughout the two weeks, civil society held actions (a form of public demonstration permitted within the Blue Zone of the conference) pushing for the outcomes they aspired the GST to achieve, namely the phase-out of fossil fuels; the operationalisation of the Loss and Damage Fund (which was achieved during the first day of COP28, though ultimately the total 770.6mil USD pledged towards the fund covers less than 0.2% of what developing nations need, most of which would go towards setting up the fund itself); the doubling of adaptation finance; as well as the tripling of renewable energy capacity and the doubling of energy efficiency improvement.

It is impossible to move into the final outcome of the GST without discussing its tumultuous lead-up. Expectedly, the most contentious issues in the draft text were surrounding the language on fossil fuels. To summarise the process, late into the final days of the conference was the noticeable omission of “phase-out [fossil fuels]”, as well as previously unseen loophole terms such as “unabated [fossil fuels]” (here it is worth reiterating that the synthesis report states the phasing out of all unabated fossil fuels is an “indispensable element” of achieving necessary GHG emissions reductions) and technologies such as “carbon capture and utili[s]ation and storage” being highlighted as key solutions despite being a nascent abatement technology without concrete backing towards its effectiveness. Beyond that, the loose operative language surrounding these clauses threatened to cement any meaningful commitment from states towards fossil fuels as optional. This prompted the charged “Hold the Line” action from civil society organisations who gathered outside negotiation halls calling for the inclusion of phase-out and pushing for more equitable solutions in the text.

In the end, negotiations ran over a day after COP28, concluding the morning of 13th December. The GST outcome addressing fossil fuels is focused on in paragraphs 28 and 29 of “the UAE Consensus” (emphasis added in bold):

28. Further recogni[s]es the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5 °C pathways and calls on Parties to contribute to the following global efforts, in a nationally determined manner, taking into account the Paris Agreement and their different national circumstances, pathways and approaches:

*(a) **Tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements** by 2030;*

*(b) Accelerating efforts towards the **phase-down of unabated coal power**;*

(c) Accelerating efforts globally towards net zero emission energy systems, utili[s]ing zero- and low-carbon fuels well before or by around mid-century;

*(d) **Transitioning away from fossil fuels in energy systems**, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science;*

*(e) Accelerating zero- and low-emission technologies, including, inter alia, renewables, nuclear, **abatement and removal technologies such as carbon capture and utili[s]ation and storage, particularly in hard-to-abate sectors**, and low-carbon hydrogen production;*

(f) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;

(g) Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero-and low-emission vehicles;

*(h) **Phasing out inefficient fossil fuel subsidies** that do not address energy poverty or just transitions, as soon as possible;*

29. Recognizes that **transitional fuels** can play a role in facilitating the energy transition while ensuring energy security;

Firstly, the incorporation of the synthesis report's findings into the overall outcome is arguably lacking, despite efforts from civil society and several Parties to push for a stronger connection between the two. The foremost exclusion being the aforementioned necessity of phasing out unabated fossil fuels, wherein it is explicitly stated as a vital measure to achieve a "rapid reduction in [GHG] emissions" and reach net zero targets, whilst centering an equitable transition for economies who are least able to afford doing so. The achievements of the UAE Consensus in this regard falls short of what the synthesis report sets out for Parties to tailor their ambitions towards.

Secondly, It is worth highlighting the statement that the Alliance of Small Island States (AOSIS) delivered at the COP28 Closing Plenary after the Consensus was adopted – "the course correction that is needed has not yet been secured. We have made an incremental advancement over business as usual when what we really needed is an exponential step-change in our actions and support". It was criticised that Parties were not committed to peaking emissions by 2025; a narrow focus on energy systems in the abatement process, as well as endorsement of loophole solutions; and an overall underwhelming commitment to delivering the fossil fuel phase-out ultimately required to limit global warming.

Numerous developing nations also expressed concern towards the emphasis on the representation and nuances of equitable solutions as enshrined in the Paris Agreement's "common but differentiated responsibilities" principle, particularly when it comes to matters of funding and providing support towards the Global South in

achieving collective climate goals.

All in all, while the very first GST remains a tremendous effort and is commendable for being the first in-text acknowledgement of moving away from fossil fuels, many civil society and climate justice actors have called out the aforementioned rollback on stronger phrasing, as well as the inclusion of loophole terms and solutions, in watering down the potential of the conference's outcomes. There are concerns that these items will allow for fossil fuel corporations to shy away from the scale of decarbonisation needed to limit global warming, as well as other implications the GST may have towards the fair and equitable solutions the Paris Agreement is meant to uphold.

Suggestions for Initiatives in Malaysia

It is needless to say that the GST was also a key priority to Malaysia's climate agenda. In the national statement presented by YB Nik Nazmi bin Nik Ahmad during one of COP28's high-level segments, he called for all nations to contribute towards the global climate agenda based on the principle of common but differentiated responsibilities, as well as proper operationalisation of the loss and damage fund, wherein "no single [financial] institution should have a monopoly" over it. He also emphasised the need for inclusive and equitable finance in order for developing countries such as Malaysia to achieve its climate targets.

Southeast Asia as a region is one of the world's most vulnerable regions to climate impacts. Malaysia faces a breadth of climate challenges which are projected to grow in severity over time, including floods, heat waves, sea level rise, and so on. Acknowledging our country's positioning as a developing country and a fossil fuel economy, alongside the need to balance national development whilst pursuing global climate agendas, the dimension of equity must be emphasised in the developing world's just energy transition, in particular the role of Global North actors in pursuing climate targets befitting towards their historical emissions alongside facilitating support mechanisms.

With this context, the report's recommendations for Malaysia to address the GST outcomes are as follows:

- For mitigation measures, the country should bolster its efforts in biodiversity conservation, a resource which Malaysia is rich in and doubles as carbon sinks in assisting GHG reduction. Beyond that, Malaysia should continue to scale up its developments in renewable energy in a sustainable manner.
 - In this vein, Malaysia should also seek to reduce its reliance on transitional fuels (namely natural gas, which is an alternative form of fossil fuels) in the long term of its energy transition.

- Human impacts of the energy transition must also be adequately addressed; see the “Just Transition” section of this document for more information.
- Adaptation measures must be increased in order to prevent the risks of loss and damage. While the drafting of Malaysia’s National Adaptation Plan (MyNAP) is underway, actions can be taken to address issues at the local level and support community-based solutions, for example capacity building, climate-proofing local infrastructure, integration of nature based solutions, and so on.
 - To control and minimise potential future occurrences of loss and damage, disaster and emergency preparedness systems should be sustained. Proper risk assessment procedures should also take place in order to identify and then adequately address the increasing scale of climate impacts as well as crucial shortcomings within existing measures.
- Through means of implementation and support, Malaysia should seek to further tap into international climate funds as well as private investments in order to ensure the efficiency and timely execution of its climate strategies.
- Address the need for collaborative effort among Southeast Asian countries, as a region vulnerable to climate impacts as well as growing severity of loss and damage. Malaysia’s forthcoming ASEAN chairmanship in 2025 is a prime opportunity to centre climate change as a key priority, as well as to form a comprehensive regional approach which provides international leverage in calls for action.
- Continue to call for urgency and accountability from developed countries in delivering grant-based financial assistance and knowledge/technological transfer, as well as international commitment and cooperation towards equitable solutions.

In line with the follow-up processes of the GST’s outcomes, the report also puts forward the following suggestions:

- Support the development of standardised methodologies for assessing and reporting progress, enhancing comparability of climate targets across nations; alongside promoting capacity building and transparency on national reporting measures.
- Ensure accessibility and availability of data and reporting.
- Formulate policy responses which are inclusive towards the needs of minority and vulnerable populations.
- Encourage further involvement of civil society and grassroots organisations in the preparation of NDCs as well as sharing of best practices prior to UNFCCC-mandated gatherings. More suggestions on facilitating meaningful stakeholder engagement can be found in the “Conclusion” section of the report.

2. Just Transition

- ❖ The Just Transition Work Programme is meant to assess, design and scale-up pathways to achieve the goals of the Paris Agreement in a way that is just, fair, inclusive and equitable for all, and which leaves no one behind.
- ❖ The adoption of the "United Arab Emirates Just Transition Work Programme" emphasises the principle of common but differentiated responsibilities and respective capabilities, acknowledging the varying capacities and historical contributions of nations in addressing climate change.
- ❖ Malaysia has to adopt a human-centric approach and balancing environmental and economic needs are crucial to ensuring a just transition at the local level, while international cooperation must be implemented to investigate and shape multilateral strategies that bring together climate action, promote sustainable development and accelerate just transition.

Background

The UNFCCC defines “just transition” as the transformation of a low-carbon economy and economic system in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

According to the International Labour Organization (ILO), the climate transition may result in the loss of at least 80 million jobs, and this will happen amid rising inequality, unemployment, and poverty. Just transition emphasises the importance of ensuring people-centric climate actions in the transition pathways. It also urges for the protection of workers, especially minority and vulnerable groups, to ensure that they do not get left behind as the world moves away from carbon-intensive practices, reducing inequalities in the most affected communities whilst the pros and cons of the transition are spread in a just, fair, equitable and inclusive manner.

Just transition was first mentioned under UNFCCC in The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention Decision 1/CP.16.

In this decision, it emphasised the aspect of a just transition of the workforce and the creation of decent work and quality jobs under the context of a shared vision for long-term cooperative action, as well as the importance of promoting a just transition of the workforce in accordance with nationally defined development priorities and strategies under the context of economic and social consequences of response measures.

Later in 2015, the preamble of the Paris Agreement makes explicit reference to just transition – “taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities”. This means that the transition to a low-carbon economy should also consider its social aspects, including the quantity of green jobs, fair wages, safe working conditions, and other aspects that contribute to labour rights and people’s well being.

At the 27th Conference of Parties (COP27) in Sharm el-Sheikh, one of the most significant outcomes was the Just Transition Work Programme (JTWP) to enhance a solid, equitable, and rights-based just transition. The Just Transition Work Programme (JTWP) is meant to assess, design and scale-up pathways to achieve the goals of the Paris Agreement in a way that is just, fair, inclusive and equitable for all, and which leaves no one behind. The SB Chairs convened Parties at the 58th Bonn Climate Conference (SB58) in June 2023 to initiate deliberations and establish a draft decision for further discussion and adoption at COP28. On 3rd December 2023, the first annual high-level ministerial round table on just transition was held as part of the just transition work programme.

Content

COP28 marked a pivotal moment in the global fight against climate change. One of the most significant outcomes was the adoption of the "United Arab Emirates Just Transition Work Programme" (JWTP). However, a significant bifurcation emerged during the adoption process. Developed countries primarily viewed the JWTP as a national labour transition roadmap. In contrast, developing countries saw the JWTP's potential to enhance the common but differentiated responsibilities and respective capabilities (CBDR-RC) principle, means of implementation, and international cooperation. This difference in perspectives led to numerous arguments and disagreements regarding the inclusion of related terms in the policy text.

In the "United Arab Emirates Just Transition Work Programme" (JWTP), it establishes a solid foundation by explicitly referencing Article 2 of the Paris Agreement. This crucial article underscores the dual goals of limiting global temperature rise to well below 2°C, striving for 1.5°C, and enhancing adaptive capacity to the impacts of climate change. Furthermore, the program emphasises the principle of CBDR-RC, acknowledging the varying capacities and historical contributions of nations in addressing climate change.

Recognising that the transition to a low-carbon future must be inclusive and equitable, the JTWP places human rights at the heart of its agenda. It explicitly respects,

promotes, and considers the obligations of human rights, environmental health, and the rights of diverse groups, including Indigenous Peoples, local communities, migrants, children, and persons with disabilities. This comprehensive approach ensures that the benefits of the transition are broadly shared and that no individual or community is left vulnerable or marginalised.

Building upon the foundation established by decision 1/CMA.4, paragraphs 50-53, the JTWP acknowledges the unique challenges faced by developing countries and Least Developed Countries (LDCs) in navigating the transition. It pledges to take these special circumstances into account by providing targeted support for funding and technology transfer, especially for the LDCs. This commitment to differentiated responsibility ensures that developing nations have the resources and tools they need to embark on their sustainable development journeys.

The JTWP is not merely a statement of principles; it lays out a concrete roadmap for achieving its ambitious goals. The program outlines specific actions and means of implementation, detailing areas of international cooperation where developed countries can collaborate with developing ones to share expertise, resources, and technology. This collaborative approach aims to foster knowledge exchange, accelerate progress, and unlock the full potential of the transition for all nations.

Suggestions for Initiatives in Malaysia

The UAE JTWP sets a strong precedent for emphasising the importance of integrating a just, fair, and equitable transition. It prioritises a human-centric approach that empowers marginalised groups, fosters gender equality, and offers robust social protection within the green transition.

Malaysia, with its diverse races and cultures, needs to establish dedicated platforms for indigenous communities to voice their concerns and participate in both the planning and implementation of the transition. Their valuable indigenous knowledge should be incorporated, and their land rights and traditional lands protected from potential negative impacts. Upholding accountability and preventing exploitation of workers, indigenous lands, and resources are crucial, ensuring land use rights are legally acquired. Furthermore, gender-responsive decision-making processes are essential to address existing inequalities and increase women's participation in decision-making and green jobs.

Strengthening labour safety regulations and ensuring fair compensation for workers in transitioning industries is equally important. With the anticipated rise in green jobs,

targeted reskilling and upskilling programs should be developed and tailored to the specific needs of workers transitioning to these roles.

Beyond focusing on human-centricity, mitigating other risks in the green transition requires balancing environmental and economic needs. The transition away from fossil fuels undeniably leads to increased demand for critical minerals and mining activities to expand renewable energy capacity. However, this cannot come at the expense of environmental devastation. We have to make sure the concept of just, fair, equitable and inclusive also applies to the whole supply chain of critical minerals. To ensure a just transition towards a sustainable mining industry, everyone, including minority groups and youth, must have a voice in decision-making processes, with a focus on responsible and sustainable practices. This includes incorporating circular economy principles to mitigate environmental impacts and address historical injustices that have disproportionately affected marginalised communities in mineral-rich regions. Strict environmental regulations and responsible sourcing practices are essential to minimise the environmental impact of mining essential minerals for sustainable growth of renewable energy technologies.

Adopting a human-centric approach and balancing environmental and economic needs are crucial to ensuring a just transition for Malaysia. Also, just transitions need a whole-of-society approach and collective effort from all stakeholders which includes ministries, businesses, non-governmental organisations and people. International cooperation must be implemented to investigate and shape multilateral strategies that bring together climate action, promote sustainable development and accelerate just transition. By learning from the best practices of other countries and tailoring them to the country's specific context, Malaysia can pave the way for a sustainable and equitable future that benefits all.

3. Carbon Markets (under Article 6)

- ❖ The global imperative for CO₂ reduction has spurred commitments to net zero and low carbon development; however, the carbon market, especially the voluntary carbon market faces scrutiny for operational loopholes and inefficiencies specific to CO₂ management, thereby being called a “false solution”.
- ❖ Despite agreeing upon the framework under Article 6.8 for non-market approaches, consensus on Article 6.2 and 6.4 were eluded due to concerns over environmental integrity, indigenous rights, and the risk of unintended emissions incentivisation.
- ❖ Bearing in mind existing challenges, recommendations for Malaysia include enhancing carbon market integrity, prioritising nature-based solutions, vigilant oversight of CDM credit transition, and implementing robust safeguards against substandard projects.

Background

CO₂ sequestration and reductions are crucial to limiting global warming. As a response, many countries have been pushing for net zero pledges along with low carbon developments. Among many methodologies to achieve net zero, the carbon market has been one of the apparent tools. However, the carbon market has too many loopholes which has led to its questionable usage as a tool or mechanism for mitigation.

Market approaches itself as an environmental solution is not new; historically, there have been many policies limiting the pollution of harmful substances in many sectors. One of them, which is claimed to be the earliest environmental success story in market mechanisms, is the Clean Air Act 1970, which underwent amendments and regulatory actions leading to the implementation of emissions trading programs (Acid Rain Program established under the 1990 Clean Air Act Amendments) in the United States. This mechanism has reduced sulphur dioxide (SO₂) and nitrogen oxide (NO_x) emissions from power plants, primarily through a cap-and-trade system for SO₂ emissions.

However, the applicability of this mechanism to manage CO₂ emissions has been extremely difficult, making its comparison invalid. Thereafter, different carbon pricing policies and different types of emission trading mechanisms have been practised by various organisations and countries as an effort to drive environmental protection. Internationally, the earliest emission reduction policy was established under the Kyoto Protocol in 1997; known as the Clean Development Mechanism (CDM), it allows

developed countries (namely Japan and Europe) to buy credits from developing countries. Additionally, the Kyoto Protocol also allows developed countries to get credits from projects executed in developing countries via Joint Implementation. Subsequently, a non-market-based approach (NMA) was launched during COP1 in Berlin, which allows international cooperation for reduction or removal of emissions voluntarily; this is known as activities implemented jointly (AIJ).

Unfortunately, CDM failed to operationalise efficiently, leading to an oversupply of mitigation projects being temporary while generating low-quality credits. This affected the pricing of these credits over time and led to market stagnation. Many analysts claimed that the CDM has projects which did not meet the estimated CO₂ removal over time. One of the main evolutions in terms of reporting in the CDM is the requirements for additionality from both emission reduction and investments or the need of financial aid for the development of the project which will otherwise not be able to develop. Besides that, the main issue was development of the compliance carbon market via the emission trading mechanism in Europe in 2005, which prohibited the use of certified emission reduction (CER) credits due to its low quality. The EU-ETS provides for the allowances generated via the cap-and-trade system to be transferred across the EU. Subsequently, Japan also retreated from its commitment which decreased the demand of credits generated by CDM.

Hence, during COP21, the Paris Agreement established Article 6 as a new emission crediting mechanism. Article 6 allows parties to cooperate with their climate goals and ambitions in the implementation of the mitigation and adaptation plans of their nationally determined contributions (NDCs) through market based approaches, driven by two major principles – sustainable development and environmental integrity. Article 6.2, 6.4 and 6.8 of the Paris Agreement accepted at COP26 in Glasgow requires parties to develop guidelines for each of them, that being the guidance on cooperative approaches referred to in Article 6.2; rules, modalities and procedures for the mechanism established by Article 6.4 (as a continuation of CDM per the Kyoto protocol with certain similarities); as well as the work programme under the framework for non-market approaches referred to in Article 6.8. These set of guidelines under the UNFCCC will be used by parties to enhance their climate ambitions and actions by developing national and international (bilateral or multilateral) policies for mitigation mainly using market-based approaches.

Apart from that, it is expected that this market mechanism will contribute funds to adaptation of the least developed countries and small island countries, while also allowing developing countries to transition into low-carbon development. From a market point of view, the Paris Agreement sets mitigation targets (NDCs) for all parties, as compared to only the Annex I/Annex B countries per the Kyoto Protocol to allow

financial flow from developed countries to developing countries separate to the climate finance funds and loss & damage funds. However, this puts burden not only on the developed world but also on the developing world to mitigate via market approaches, which can affect the actions reported as the NDCs by the seller country as it has to be transferred to the buyer country. On the other hand, NMAs recognise the specific need for capacity building, finance and technology transfers through partnership and cooperation between parties. Meanwhile, in acknowledging historical emissions in the spirit of common but differentiated responsibilities, the developed world has to be more ambitious while providing leading examples of projects that meet the principles of sustainable development and environmental integrity with just and equity, also including funds and capacity building to the developing world in the implementation of this crediting mechanism. As a whole, Article 6 supports the 17th Sustainable Development Goal (SDG) by recognising the importance of cooperation in the Paris Agreement crediting mechanisms. Apart from CDM in the Kyoto Protocol and Article 6 in the Paris Agreement, there are many different types of emission trading schemes which are currently in force.

Typically, different countries and companies adopt different policies to be implemented to decarbonise their sectors, industries or to achieve the companies' net zero targets. As elaborated above, there are two mechanisms to create a carbon market, which is either by trading carbon offsets/carbon credits or allowances/permits/certificates. Carbon allowances/permits/certificates are generated from a baseline (how much a certain sector can emit) which is set as a cap where the emissions below the cap acting as a threshold can be traded as allowances/permits to companies emitting above the threshold. On the other hand, clean energy generated can also be traded as certificates domestically, regionally or internationally to emitting industries. This approach encourages industries to transition to low-carbon technologies and increase their carbon management practices.

Besides that, the credits being transferred via carbon offsets are from pilot or individual projects which are located in a different location (outside the emitting sector) where companies buy these credits traded as per ton CO₂e reduced or removed. Carbon offsets are more controversial since there is a complexity in the verification of the true emission reduction projects while offsetting allows companies to continue emitting without transitioning to low carbon development and net zero development, especially because of the cheap offset credits generated from low-quality projects. Some of the projects deemed as low quality are the verified emission avoidance projects mainly involving removal (forestry) projects which continue to deforest after a certain reporting stage or after being credited.

Additionally, there are also two types of carbon markets, which are the compliance

carbon market and voluntary carbon market (VCM). An obvious trend is developing countries implementing the compliance carbon market using emissions trading schemes (ETS) or regulated markets like the EU-ETS or California Cap-and-Trade Program which requires a baseline acting as a cap. As aforementioned, this cap and trade strategy is an emission reduction strategy by incentivising the companies to decarbonise their supply chain and processes reducing their emissions. Meanwhile, developing countries are implementing the VCM to allow their high CO2 emitting industries to utilise the carbon market as a tool for decarbonization ensuring their competitiveness regarding SDGs and other international compliances and reporting (including the recent “trade restrictive” Carbon Border Adjustment Mechanism by the EU).

Finally, understanding the complexities in this market is crucial prior to dissecting the challenges in negotiating the needs and principles of different parties on Article 6. Specifically, matters related to Article 6.2; guidance on cooperative approaches, article 6.4; rules, modalities and procedures for the mechanism and Article 6.8; work programme under the framework for NMAs.

Content

Some of the main focus areas of COP28 have been the transition to clean energy; centering nature, people, lives & livelihoods (helping vulnerable communities and cities adapt); delivering on finance which includes the operationalisation of the loss and damage fund; as well as mobilising inclusivity. Therefore, one of the noticeable arguments from different groups and parties in the negotiations on Article 6 is the protection of local communities and indigenous people. Besides, the methodologies and process of ensuring the environmental integrity of the projects, especially the removal projects, were also a major concern. In previous COPs (namely COP26 and COP27) certain matters regarding the carbon market have been agreed upon by parties. Some of these matters include the corresponding adjustment of Internationally Transferred Mitigation Outcomes (ITMOs) under Article 6.2 and A6.4ERs under Article 6.4 except the conditional A6.4ERs under Article 6.4.

COP28 ultimately failed to agree upon the texts drafted for Article 6.2 and 6.4. As mentioned earlier, the failure to achieve consensus was due to questionable loopholes in the text regarding the many issues that were negotiated and renegotiated with concerns circulating about the environmental integrity and protection of local communities and indigenous people. Although Article 6 aims to foster international cooperation in creating solutions to climate change and providing financial support to developing countries, it has been criticised by many climate analysts for failing to

effectively mitigate emissions, instead using the carbon market as a mere excuse, thereby potentially incentivising emitters rather than curbing their emissions.

Specifically, Article 6.2 is about the cooperative approaches between two or more countries (bilaterally or multilaterally) where either of the participating countries sell and buy verified carbon units acknowledged as ITMOs. This allows the exchange of mitigation outcomes to the seller countries' NDCs while providing financial assistance to the host countries. There is demand from some parties to define cooperative approaches where some parties want "bilateral" cooperation, while others accept at least cooperation between two parties or even the involvement of international organisations under cooperative approaches. For instance, in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is an international body providing offsetting option to aviation sector with baseline set by CORSIA; the involvement of CORSIA in Article 6.2 should be defined well especially in matters related to corresponding adjustments and types of projects. The establishment of Article 6.2 should provide guidance to the countries' involvement in international carbon market, whereby the negotiations also focused regarding the flexibility of matters related authorisation by the host country, application of first transfer, tables for submitting annual information as part of the regular information, agreed electronic format, and common nomenclatures. Consensus varied among parties mainly regarding the timing, content, revision, and revocation of authorisation. From many disagreements regarding authorisations, some parties didn't want to allow for revocation of authorisation which could lead to issues related to the corresponding adjustment. Some parties negotiated the sequence and timing of revocation that could possibly apply before the credit is being transferred. Among others were the issues related to confidentiality where parties require for definitions of what information which can be identified as confidential. A completely confidential report under Article 6.2 could increase the chances of fraud and unequal reporting standards by different agreements. Also to note that some parties including Switzerland, Japan, Singapore were already dealing with their bilateral agreements with parties from African group and Least Developed Countries (LDCs) without a stringent guidance under Article 6 which could minimise flawed carbon credits.

Besides Article 6.2, Article 6.4 aims to facilitate the UNFCCC supervisory body (SB) with the rules, modalities, and procedures (RMPs) for the establishment of the international carbon market under UNFCCC. This mechanism allows international credits known as A.6ERs, mitigation contribution units (MCUs) which are not authorised for use towards achievement of NDCs of Parties; and the CER, the CDM's carbon credits. The A.6ERs credits can either be transferred to the seller countries NDCs where corresponding adjustment is made or to be not transferred to the NDCs. At COP28, parties negotiated key issues regarding the eligibility of avoidance activities and the reducing emissions from deforestation and forest degradation (REDD+) activities,

the development of methodologies including accounting methodologies, methodologies for addressing the risk of non-permanence and leakage; the transfer mechanism across registries, sustainable development tool, grievances procedure; timing and content of authorisation of A.6ERs and MCUs was also considered by the parties during negotiations. Specifically, two draft documents recommended by the SB on requirements for the development and assessment of Article 6.4 mechanism methodologies and activities involving removals under the Article 6.4 mechanism had disagreements. Among which includes the reversals of removal activities, especially the natural removal and storage projects involving reforestation and restoration; mangrove planting, peatland restoration and more. Additionally, the rules and procedures for the grievances procedure regarding the social and environmental safeguards, including human rights issues during the development of the activities weren't clear to allow for the adoption of Article 6.4. Furthermore, the considerations to include emission avoidance and conservation enhancement as a part of Article 6.4 was subject to low-quality credits which could undermine the Article 6.4 credits. Many parties did not agree to include or define emissions avoidance and some parties reiterated that the conservation enhancement activities are already included under emission removal and reduction activities. There is a need to not only define additionality but methodologies for the reporting of additionality and material risk on reversal from either nature based emission removal activities or technological based emission removal and reduction activities. Importantly, the eligibility of credits from CDM should be reassessed before being transferred to Article 6.4 using the new stringent rules of Article 6.4. Even though the consensus on Article 6.2 and 6.4 was not achieved at COP28, some carbon market analysts believe that it is better a delay than a bad mechanism which allows flawed credits which doesn't fit the purpose of the market mechanism for emission reduction.

Fortunately, Article 6.8 which involves the development of the work programme under the framework for NMAs was agreed upon. This framework aims to promote sustainable development and the means of implementation of activities which are not traded as credit. After negotiating different views regarding the considerations of carbon pricing and other approaches, finally the parties agreed to request the Secretariat to complete the development of the UNFCCC web-based platform and fully operationalise it as soon as possible, and no later than June 2024. This web platform will serve as a transparent tool for other parties to cooperate and replicate mitigation and adaptation activities via shared finance, technology development and transfer, and capacity building.

Suggestions for Initiatives in Malaysia

Malaysia has already established its voluntary carbon market mechanism, managed by Bursa Malaysia and known as the BCX. BCX currently adopts the Vera standards or

Verified Carbon Standard (VCS) which are subject to ongoing revision. These standards, established by third-party organisations, incorporate critical research and development into their respective criteria. Previously criticised issues surrounding the additionality of carbon credits from reforestation projects are being addressed to ensure the issuance of high-quality credits. Unlike the previous market mechanism, these standards are stricter to prevent low-quality projects that could undermine the market and the economy. Therefore, this section focuses not on the problems but on the implementation for decarbonisation and participation as buyers and sellers in Malaysia.

Upskilling Large Companies to Support SMEs

The government could incentivise companies to trade credits domestically. The incentives provided could support capacity building through workshops but should not be tied to taxes exemptions or corporate social responsibility obligations. The main objective is to enhance understanding of a high-integrity carbon market to help Malaysia achieve its NDCs. The government should emphasise the importance of upskilling suppliers to improve overall workflows which includes setting baselines, carbon accounting and reporting, and more particularly for small and medium enterprises (SMEs). Other benefits include competitiveness in growing markets and compliance with international treaties such as the Paris Agreement. Malaysia is committed to utilising Article 6 mechanisms to achieve its NDCs. For example, hard-to-abate sectors like tin mining, cement, and aviation can participate in the offsetting market to expand opportunities, despite the EU's unilateral trade measures and increasing regulatory requirements on trade and reporting. The expected outcome is for larger companies to use their resources to train their suppliers, with oversight from the government. It is equally important to train suppliers, as they play a crucial role in procurement and the transition towards green procurement. Suppliers are essential in providing sustainable and environmentally friendly products and services that align with the goals of reducing carbon emissions and promoting sustainability. Therefore, funding for this training should voluntarily come from the respective industries, aiming to increase the resilience of suppliers and enhance their involvement in emissions reporting and accounting prior to involvement in VCM. All capacity-building activities should be documented under NRECC; wherein NRECC is currently the key ministry that oversees the development of the VCM & REDD+ in Malaysia. This approach should begin by defining large players (MNCs, GLCs and other private sectors operating in Malaysia cutting across different sectors and different industries) and collecting data on their needs for guidance and regulation from the government, particularly in growing sectors, including proficiency in current ESG and carbon accounting reporting. All discussions should align with existing Malaysian policies.

Enhancing Carbon Market Integrity: Carbon Market Developers in Malaysia

Malaysia's BCX focuses more on nature-based solutions (NBS) as a mid-term strategy, aiming to explore carbon capture and storage (CCS) and other developing technologies as mid to long-term strategies. This approach should be beneficial since Malaysia can rely on private funding for the research and development (R&D) of these capture technologies. However, it is crucial to address that some of these technologies are already being explored primarily in the fossil fuel industries, serving as CCS or carbon capture utilisation and storage (CCUS). There are many critics of the feasibility and efficiency of these technologies in removing CO₂, including risks of reversals and potential harm to human and planetary health. While it is important not to dismiss these options outright due to their risks, particularly in addressing GHG reductions for hard-to-abate sectors, they must be taken into due consideration in order to properly weigh its practicalities; hence, Malaysia should also increase public funding for R&D of these technologies, expanding research beyond simulations and STEM-based studies to include assessments of the economic risks associated with these technologies and potential human rights issues.

Hybrid removal and reduction activities combining nature and technology can also be explored, as is already being done on a small scale in Malaysia. Additionally, the development of projects and potential technologies should be mapped and stored in a secure database until they are available to the public or patented. Similarly, BCX's listing of eligible projects should be carefully re-evaluated and revised by providing more detailed information on the types of projects. Malaysia can also engage in other international markets being developed through cooperation and partnerships, such as the Joint Crediting Mechanism (JCM) by Japan. Notably, from the freely accessible JCM database, there are fewer forest removal projects; instead, forest projects in the JCM are listed as REDD+ projects. REDD+ projects are results-based payment projects which need to prove their additionality with proper emission reduction accounting to be considered as an offsetting project. Malaysia should consider international carbon market trends as our projects mainly focus on NBS removals and activities should be regulated across states to prevent the development of low-quality projects.

Malaysia's NDC and Reliance on Carbon Market

Regarding decarbonisation and achieving Malaysia's NDCs, Malaysia should not rely solely on market mechanisms. The transition to low-carbon development should be prioritised, with carbon markets or offsetting mechanisms only utilised if the overall process cannot be decarbonised. The report recommends that the involvement of the fossil fuel industry as a seller should be well defined and strictly regulated based on existing regulations to prevent the sale of flawed reduction certificates that do not represent actual reductions in overall emissions, potentially influenced by the baseline set by their operations. Malaysia should also monitor and prepare for the transition of

CDM credits to the Article 6.4 registry. As of May 2023, there are around 143 projects registered or requested as CDM credits. These CDM credits may not continue under the Article 6.4 mechanism if they do not meet the standards being developed by the SB. Projects registered under CDM and Verified Carbon Standard (VCS) mainly involve agriculture, forestry, and other land use (AFOLU) projects and waste handling and disposal projects. Some renewable energy projects included may be unsustainable, such as biomass renewable energy projects with depletable sources.

Finally, in developing carbon market which promotes the establishment of transparent and accountable market mechanisms which ensures equitable distribution of benefits, the report suggest these as options in regard to the SDGs:

1. To encourage companies voluntarily to decarbonise their overall operation and workflow; if not feasible, utilising the carbon market becomes an option
2. To only promote NBS that may not have otherwise been pursued; in this case, the additionality of funding and emission reduction has to be monitored, reported and verified accordingly.
3. To incentivise local R&D of low carbon technology developments, to not only reduce Malaysia's dependency on imported technologies and resources, but also to build local patents.
4. To attract investors and enhance competitiveness in global trade by practising high integrity carbon market principles.
5. To protect the rights of indigenous people and local communities with a grievance mechanism and comply with safeguards of good practices from project development to measuring, monitoring, and reporting, setting a global example of true carbon market solutions.

4. Action for Climate Empowerment

- ❖ Action for climate empowerment (ACE) aims to empower climate education through six key elements: education, training, public awareness, public access to information, public participation and international cooperation.
- ❖ ACE negotiations did not move forward due to a lack of consensus pertaining to items of finance, and will resume during SB60 in 2024.
- ❖ Malaysia should seek to appoint National ACE Focal Points and formulate a National ACE Strategy in order to operationalise ACE in the country, as well as continue to hold meaningful stakeholder engagements across all levels.

Background

Action for Climate Empowerment (ACE) is a term adopted by the UNFCCC in 2015 to denote work under Article 6 of the Convention (1992) and Article 12 of the Paris Agreement. Per the Paris Agreement:

Article 12

Parties shall cooperate in taking measures, as appropriate, to enhance climate change education, training, public awareness, public participation and public access to information, recognizing the importance of these steps with respect to enhancing actions under this Agreement.

ACE aims to enable all walks of society to engage in climate action through the ACE Toolbox consisting of six key elements: education, training, public awareness, public access to information, public participation and international cooperation.

The implementation of ACE is expanded upon in the 10-year Glasgow work programme on ACE as well as the 4-year ACE action plan. The Glasgow work programme, approved at the 26th Conference of Parties (COP26), is set between 2021–2031 and defines four thematic priority areas to address gaps in ACE’s levers – policy coordination; coordinated action; tools and support; as well as monitoring, evaluation and reporting. Meanwhile, the 4-year ACE action plan, decided upon during the 27th Conference of Parties (COP27) and set between 2023–2026, defines short-term, clear and time-bound activities in line with the Glasgow work programme.

ACE is implemented through a country’s National ACE Strategy, which per official guidelines published by UNESCO “must consider all elements of ACE ... each country will emphasise specific ACE elements according to its national circumstances – i.e. its national climate policy priorities, needs and institutional capacities”.

The facilitation of ACE at the local, national and international levels are overseen by up to two National ACE Focal Points per country, appointed by the UNFCCC Focal Point of the respective country.

A vital point of ACE is that it formalises the need for inclusion of underrepresented and vulnerable communities in climate awareness and education, including emphasis on gender, intergenerational equity, as well as the inclusion of indigenous communities, hence embodying the Paris Agreement's principle of equity.

Content

Negotiations primarily centred upon setting the direction for the next few years of UNFCCC-level ACE mandates per implementation of the Glasgow work programme, namely the ACE Dialogues.

The primary source of contention was between the Group of 77 (G77) and China Parties and developed nations. There was a refusal, from both ends, to compromise on explicitly addressing the need for finance in delivering ACE initiatives into the draft text – the G77 and China did not want to exclude the point, going so far as to simply advocate for the “consideration of” its inclusion, but developed nations did not compromise in return for a meaningful incorporation of finance, pushing for references to be replaced with “support” instead. It was a hard line from the G77 and China due to a precedent from previous negotiations which carried forward to COP28, related to the lack of inclusion towards finance, and the coalition was adamant to not move forward without it.

As a result, around the end of the first week of the conference, ACE negotiations fell under “Rule 16” (in reference to Rule 16 of the UNFCCC rules of procedures), which denotes an inability to move forward with discussions and that they would be resumed during the next convening, in this case being the 60th Session of the UNFCCC Subsidiary Bodies (SB60) at Bonn, Germany in 3–13th June 2024; COP28 marks the first incidence of this taking place for ACE negotiations. Other ACE-oriented events such as the ACE Dialogue and ACE Focal Points Academy are also scheduled to take place during SB60.

Suggestions for Initiatives in Malaysia

Considering the scope of ACE, the topic falls under the purview of several Ministries – namely NRECC, the Ministry of Education (MOE), and the Ministry of Youth and Sports (KBS) when it pertains to youth.

While there is no formal implementation of ACE in Malaysia as of writing – Malaysia

currently does not have an ACE Focal Point, nor a National ACE Strategy – taking on ACE as a whole, there exist many contributions towards its levers in Malaysia, both at the governmental and grassroots level. For instance, in terms of government initiatives, Rakan Muda, an initiative by KBS, aims to support programmes organised by, and which benefit, youth between the ages of 16-30. Efforts by various grassroots civil society organisations also aim to empower locals from all walks of life to become involved in climate action through a variety of means.

Youth have a vested interest in ACE. Components of ACE such as education and public awareness are often the first point of entry for people learning about climate change issues, while the lever of international cooperation is how global perspectives are addressed, and where the gap of knowledge regarding the Global North-South divide is bridged.

Malaysia currently lacks an ACE Focal Point, which is someone (up to two individuals) who is appointed by the respective UNFCCC National Focal Point to oversee ACE implementation in their country.

Suggestions on how to formalise ACE in Malaysia under UNFCCC mechanisms are as follows:

- **The appointment of National ACE Focal Points in Malaysia.** The appointment of National ACE Focal Points in Malaysia would help consolidate and operationalise the existing work being done on ACE's levers, tap into UNFCCC resources as well as monitor and evaluate ACE activities.
 - Once established, knowledge exchanges from other National ACE Focal Points within the region could be facilitated in order to promote the sharing of best practices and identifying areas of cooperation for ACE implementation in Southeast Asia.
- **Creation of Malaysia's National ACE Strategy.** A National ACE Strategy is a national policy framework which addresses the needs of National ACE Focal Points through identifying stakeholder groups as well as climate strategies and initiatives in order to outline an effective action plan to implement ACE. It also ensures proper cross-sectoral technical and financial support as well as monitoring and evaluation processes in doing so. Formalising such a strategy will not only institutionalise ACE as a vital approach to the country's climate agenda, but also promotes equity for minority and vulnerable populations through the values it encompasses. The National ACE Strategy Guidelines for ACE published by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) provides a very thorough overview on the process. That being said, in drafting our National ACE Strategy, the following aspects should be emphasised that are crucial to Malaysia's climate agenda:

- Integration of educational programs on climate change and sustainability into the national curricula.
- Centering indigenous knowledge and practices of environmental integration.
- Emphasise indigenous, children, youth, as well as gender narratives, overall promoting a human rights-centric and equitable approach to climate education.
- Contextualisation of local as well as regional (Southeast Asian) accounts of climate impacts and actions.
- Cross-ministerial mobilisation – namely NRES, MOE and KBS, as well as other portfolios where necessary.

Miscellaneous suggestions on how to promote ACE in Malaysia are as follows:

- Advocate for increased public awareness campaigns and community engagement initiatives in order to empower local involvement in climate action.
- Provide additional support towards existing local grassroots organisations in their efforts to address climate action and education.
- Identify and cultivate areas of collaboration for government initiatives with local grassroots organisations, as well as concerted efforts towards inclusivity.

Conclusion

The UAE Consensus will be looked back upon as historically signalling the “beginning of the end of the fossil fuel era”. While the conference has been on the receiving end of numerous criticisms pertaining to its outcomes, all stakeholders must continue to play their respective parts and remain committed towards collective action in order to limit global warming and implement progressive climate solutions.

The 29th Conference of Parties (COP29), slated to be held on 11th November – 22nd November 2024 in Baku, Azerbaijan, is being called the “finance COP” due to the prioritisation of the New Collective Quantified Goal (NCQG). The NCQG is a new global climate finance goal that will be agreed upon by 2024, which will supersede the US\$100 billion climate finance target determined in 2009 and is also set to embody the needs and priorities of developing nations. Other focus areas include (but are not limited to) adaptation, the Enhanced Transparency Framework (ETF), NDCs, response measures, as well as numerous agendas under Article 6.

In the wake of COP28 and leadup to COP29, the report puts forward some additional recommendations:

- Better involvement of civil society engagement groups in the planning and inclusion of stakeholders across all levels pre-COP29.
 - This includes consultations and meaningful stakeholder engagements prior to the conference, with special consideration towards minority and vulnerable populations, including gender, indigenous communities, as well as children and youth.
 - The Malaysian Climate Change Consultation Panel and Advisory Panel as appointed by NRECC can be leveraged in order to achieve such engagements, both of which are composed of a diverse group of stakeholders. This can help to facilitate more inclusivity and, with proper moderation, ensure fair exchange and representation of perspectives across members, thus helping to promote a whole of nation and whole of society approach towards our climate action.
 - These engagements, should they be within capacity, can also be extended during COP itself. Meetings between local organisations and the Malaysian government, will inform and align local players on the big picture of Malaysia’s climate ambitions which are being put forward at the global stage; thus emphasising upon meaningful stakeholder engagements.
- Putting forward local talents for COP29-related tasks such as creating preparatory briefs, conducting research and development, as well as organising

the Malaysian Pavilion programmes. Doing so would not only build local expertise whilst saving costs, it would help curate an authentic and impactful Malaysian narrative, informed by both high-level and grassroots perspectives, to be presented at the global stage.

- In this vein, future Malaysian Pavilions should also strive for an even more holistic approach towards its national representation. Where COP28 primarily highlighted the direction and strengths of Malaysia's just energy transition, the Pavilion's influence could be compounded upon by further spotlighting the critical role of grassroots movements that are driving positive change across all sectors.
- Continue to promote a cross-ministerial approach towards climate negotiations, where the inclusion of cross-cutting considerations will allow for interlinked challenges to be addressed in a comprehensive manner.
- The Malaysian delegation to COP28 was composed of 700 members, of which 502 party overflow badges were issued. The government should consider issuing temporary passes for guests who would only be in attendance for a short period of time, such as for the purpose of contributing towards specific panel sessions. Hence, more meaningful attendance will reflect upon the Malaysian delegation's numbers.

In 2024, MYD remains committed towards its goals of galvanising youth climate advocacy through policy, aiming to build the capacity of its target audiences towards Malaysian climate policy in an accessible manner. The organisation also aims to continue fostering meaningful collaborative efforts, and will continue to engage with all levels of stakeholders in order to do so.

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End of Report