



**HOST PARTY PARTICIPATION REQUIREMENTS
FOR ARTICLE 6.4 MECHANISM
(Version 02.0)**

SECTION 1: GENERAL INFORMATION

Country:	Malaysia
Institution name:	Ministry of Natural Resources and Environmental Sustainability (NRES)
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Representative of the institution:	Mr. Ahmad Farid Mohammed, Undersecretary of Climate Change Division
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ADDITIONAL REPRESENTATIVE (OPTIONAL)

Additional representative of the institution:	Mr. Muhammad Ridzwan Bin Ali, Senior Assistant Secretary (Climate Change Policy and Negotiation)
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SECTION 2: PARTICIPATION RESPONSIBILITIES

Is your country a Party to the Paris Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has your country prepared, communicated, and is it maintaining a Nationally Determined Contribution (NDC) in accordance with Article 4, paragraph 2 of the Paris Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has your country designated a Designated National Authority (DNA) for the Article 6.4 mechanism and communicated that designation to the UNFCCC secretariat?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Please describe how your country's participation in the Article 6.4 mechanism contributes to sustainable development, while acknowledging that the consideration of sustainable development is a national prerogative.

Malaysia's participation in the Article 6.4 mechanism supports its commitment to sustainable development, in line with country's national priorities and global commitments under the Paris Agreement. Malaysia adopted the 2030 Agenda for Sustainable Development in 2015

Within the 12th Malaysian Plan (RMK-12), the country's five-year strategic plan for guiding economic and social development, Malaysia is committed towards fostering sustainable economic growth with a focus on inclusivity, sustainability, and resilience. Within the Mid-term Review of the 12th Malaysia Plan launched in August 2023, the country has reaffirmed more national efforts will be focused towards advancing environmental sustainability, accelerating a just energy transition, and expediting the implementation of low carbon, clean and resilient development. Additionally, within this document Malaysia has committed to advancing the implementation of the United Nations Sustainable Development Goals (SDGs) and adoption of Environmental, Social and Governance (ESG) principles) in line with achieving the net-zero aspiration as early as 2050 and consistent with the 2030 Agenda for Sustainable Development.

In line with these aspirations, Malaysia is developing its National Arrangements for Article 6 which sets out the mechanisms, procedures, and governance frameworks that will guide Malaysia's engagement with the Paris Agreement's Article 6.2 and Article 6.4 market-based mechanisms. As part of the National Arrangements for Article 6, projects under these mechanisms will be subjected to a number of detailed criteria, as outlined in the Operational Framework of the National Arrangements, to ensure that projects minimise negative impacts on the environment and local communities while fostering co-benefits such as but not limited to inclusive development, adoption of clean technology, and accelerating Malaysia's transition to a low-carbon and resilient economy. These criteria require that projects demonstrate that they are additional, contribute to sustainable development, aligned with Malaysia's Nationally Determined Contributions (NDCs) and do no significant harm. The National Arrangements for Article 6 also establishes platforms to ensure that the criteria for projects will be regularly reviewed and updated to ensure that the latest guidance and requirements for Article 6.4 participation are embedded.

Please provide detailed information on the types of activities under Article 6, paragraph 4 (A6.4 activities) that your country would consider approving pursuant to chapter V.C (Approval and Authorization) of the Rules, Modalities and Procedures (RMPs).

Additionally, explain how these activities, and any associated emission reductions or removals, would contribute to the achievement of your country's NDC, if applicable, its long-term low GHG emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement?

As part of the National Arrangements Malaysia is developing, the country will be publishing an approval and authorisation criteria document hereby referred to as the "National Rules" derived from the Rules, Modalities and Procedures developed for the Article 6.4 mechanism, the Article 6.4 Sustainable Development Tool, and in alignment with Malaysia's unique local circumstances. The proposed National Rules document sets out the mechanisms, procedures, and governance frameworks that will guide Malaysia's engagement with the Paris Agreement's Article 6.2 and Article 6.4 market-based mechanisms. Per the National Rules document, projects under these mechanisms will be subjected to a number of detailed criteria to ensure that projects minimise negative impacts on the environment and local communities while fostering co-benefits such as but not limited to inclusive development, adoption of clean technology, and accelerating Malaysia's transition to a low-carbon and resilient economy. These criteria require that projects demonstrate that they are additional, contribute to sustainable development, aligned with Malaysia's Nationally Determined Contributions (NDCs) and do no significant harm. The National Arrangements for Article 6 also establishes platforms to ensure that the criteria for projects will be regularly reviewed and updated to ensure that the latest guidance and requirements for Article 6.4 participation are embedded.

Currently Malaysia may consider the following activity types to be authorised under Article 6.4 of the Paris Agreement. Each mitigation activity proposed under these types may be evaluated on a case-by-case basis and in-line with the National Rules.

1. Energy:

- a. Projects that are linked with Energy Storage Systems
- b. Green Hydrogen Energy
- c. Small Scale Solar Power for rural application
- d. Green Mobility including Electric bus Program, Green Hydrogen / Fuel Cell Vehicles, BioCNG in vehicles
- e. Hydrogen Fuel Cell applications

2. IPPU

- a. Aluminum Production with Carbon Capture and Storage
- b. Iron Production with Carbon Capture and Storage

3. LULUCF

- a. Reforestation and Afforestation
- b. Wetland restoration
- c. Improved Forest Management
- d. Agroforestry projects
- e. Smart agriculture

4. Waste

- a. Waste Management including Waste to Energy, Chemical recycling, construction waste management, etc.
- b. Biogas, Biochar production from waste

5. Others

- a. Direct Air capture
- b. Other Carbon Capture, Utilisation and Storage (CCUS)
- c. Biomethane generation and applications
- d. Green ammonia applications

6. All the Clean Development Mechanism (CDM) projects of Malaysia transitioning to Article 6.4 mechanism

The list above is non-exhaustive. Activities will be closely aligned to Malaysia's Nationally Determined Contributions (NDCs) and Long-Term Low Emissions Development Strategy (LT-LEDS).

Article 6.4 provides an important financing mechanism for the implementation of mitigation projects across different sectors:

Energy sector projects with storage enhances energy security and grid stability by storing excess renewable energy for future use and minimizes reliance on fossil fuels. Rural solar application allows for providing energy security in the off-grid areas. Hydrogen offers a clean energy carrier that can decarbonize various sectors, including transport and industry. Electric buses offer cleaner public transport alternative to current fossil fuel dependent buses. Other green technology applications for green mobility.

CCUS captures CO₂ emissions from industrial processes and power generation, preventing their release into the atmosphere. This is crucial for offsetting emissions from hard-to-abate sectors, aiding in achieving net-zero emissions in long term.

Waste management plants development in Malaysia. For efficient technology, updated technologies will be required. Improved waste management will reduce harmful emissions from getting into air, land and water.

As a general principle for technological solutions, adoption of high-end technology for energy efficiency lowers overall energy consumption and enhances performance of the equipment.

Malaysia's rich forest cover acts as a national and global sink. Continued protection and development of forest cover through reforestation, afforestation, improved forestry management and agro-forestry will require increased resources. Protection of existing forest land and implementation of forestry removal projects can improve the biodiversity including terrestrial and aquatic lives. Further the activities will enhance ecosystem services such as clean water supply, timber and non-wood forestry products and clean air that improves the lives of local people.

The promotion of agro-forestry, smart agriculture, green ammonia applications for fertilizer shall contribute to Malaysia's food and nutrition security while reducing emission.

Please provide any additional information that the host Party may deem necessary (optional)¹:

¹ The host Party may optionally provide additional information on: i) Baseline approaches and other methodological requirements, including additionality, to be applied for Article 6.4 activities as per decision 3/CMA.3, annex, paragraph 27; ii). Crediting periods to be applied for Article 6.4 activities that it intends to host, including whether the crediting periods may be renewed as per decision 3/CMA.3, annex 3, paragraph 27(b); iii) First transfer in case it intends to authorize A6.4ERs for other international mitigation purposes as per decision 2/CMA.3, annex, paragraph 2(b); iv) statement on exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS of all projects or PoAs and CPs.

Baseline approaches and other methodological requirements, including additionality, to be applied for A6.4 activities that it intends to host, in addition and subject to and consistent with the RMPs, under the supervision of the Supervisory Body, and subject to further relevant decisions of the CMA, with an explanation of how those approaches and requirements are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy:

Please note that the information provided herein including the prospective list of A6.4 activities are not legally binding and it is subject to change. Malaysia reserves the right to amend this prospective list and the criteria in which projects may be evaluated against.

All prevailing laws in Malaysia will be complied with for the respective activities.

Crediting periods to be applied for A6.4 activities that it intends to host, including whether the crediting periods may be renewed, subject to the RMPs and under the supervision of the Supervisory Body, and in accordance with further relevant decisions of the CMA, with an explanation of how those crediting periods are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy:

Malaysia intends to apply the crediting periods for A6.4 activities in accordance with Article 6.4 Activity Standard and the Rules, Modalities, and Procedures (RMPs), as follows:

- **Renewable Crediting Period:** Maximum of 5 years, which may be renewed up to two times, for a total maximum length of 15 years, or any shorter period determined by the host Party or applied methodologies.
- **Fixed Crediting Period:** Maximum of 10 years, or any shorter period determined by the host Party or applied methodologies.

Renewals will only be granted if consistency with Malaysia's latest Nationally Determined Contribution (NDC) and sectoral decarbonization pathways can be demonstrated.

All crediting periods will end no later than five years after the close of the NDC implementation period in which the activity was registered, to avoid over-crediting.

Malaysia reserves the flexibility to apply either crediting period type depending on the nature of the proposed activity and future updates to national policies or the Article 6.4 host approval framework

Definition of first transfer pursuant to decision 2/CMA.3, annex, paragraph 2(b)² as:

- The authorization
- The issuance
- The use or cancellation of the A6.4ERs

Is the host Party an LDC or SIDS:

- Yes No

² Decision 2/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf.

Exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS³

The host Party chooses not to exempt all projects or PoAs and CPs from the share of proceeds for adaptation⁴

Any additional information:

N/A

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	20 March 2025	Revision to clarify which are the optional elements for the section "additional information that the host Party may deem necessary".
01.0	25 March 2024	Published with revised symbol number (previously A6.4-FORM-AC-001).

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³ This provision is only applicable to LDCs and SIDS and is to be checked if the LDC/SIDS hosting the projects or PoAs and CPs therein, chooses not to exempt all project activities or PoAs and CPs from the share of proceeds for adaptation or may be indicated for each project or PoA and CPs at the time of approval of the project or PoA.

⁴ Please see footnote 3.