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# CHAPTER 21

# Gaps in environmental policy and legislation: Overview of the legislative and policy framework governing the environment

ARHWIN KALAI CHELVAN*, SHANTINI GUNA RAJAN, SHEELASHEENA DAMIAN, VANESSA A. JIPIU, MARYELL IRISHA HILLARIAN, ESTHER MAWAN, STANDLEY BAWIN ANAK BUNSI, NURFATIN WAHIDA BINTI PUSPA, AIDIL IMAN AIDID and LEE PEI XIAN

**Abstract:** When the words 'policy' or 'legislation' come up, they immediately create the impression of something far-removed and out of reach of the ordinary layperson, instead belonging exclusively to the realm of lawyers, judges, parliamentarians and ministers. Yet, nearly every aspect of the society is governed or impacted by policies and legislation, including the environment. Conservation projects often have policy and legislative changes as the final outcomes that they are lobbying and striving for. It is therefore useful for all stakeholders, including conservationists, academics and the general public, to gain an understanding of policies and legislation. Understanding this framework and the relationships between its various components provides a useful foundation for engaging with environmental issues. Policies and legislation are also often shaped by certain rights, principles, and othe socioeconomic forces. Within the context of the environment, having an idea of what these are and how they function will be useful in understanding broad fundamental gaps within the framework. Finally, given the vastness of the environmental field, discussions on gaps of policies and legislation can potentially become too theoretical unless it is focused on application in a certain context. The chapter will therefore provide a first point of reference to the various policies and legislation governing different aspects of the environment and to help readers build an understanding of and appreciation for this important framework.

## INTRODUCTION

This chapter intends to provide an overview and a starting point in navigating the environmental policies and legislation governing Malaysia. It is by no means exhaustive. For the sake of clarity, what is meant by 'policy' here refers specifically to official directives from the executive branch of government. Legislation are laws passed by the federal or state legislatures. Legislation forms a big part of the more general term "law" which also includes other sources of law such as secondary legislation, judicial precedent, and international law (which has no force in domestic courts).

In Malaysia, Federal legislation is generally known as 'acts', whereas state legislation is usually known as 'ordinances' or 'enactments'. Secondary legislation is usually known as 'regulations', 'orders', or 'by-laws.' A related point to note is that each policy and legislation often has an implementing government ministry, agency or department, which may be further self-regulated with internal circulars and practice directions among others. Hence, readers may wish to explore this aspect as well, for a more complete picture.

There are certain policy documents that are cross-cutting and cover many areas, including various aspects of the environment, like the Malaysia Plans (the current Malaysia Plan in force is the 13th Malaysia Plan). Apart from that, there are policies covering certain

WWF-Malaysia, Jln PJS 5/28 A, Pusat Dagangan Petaling Jaya Selatan, 46150 Petaling Jaya, Selangor, Malaysia.
***Corresponding author: akchelvan@wwf.org.my**

thematic areas and certain regions. There are also examples of clear joint enforcement or implementation activities such as the Operasi Bersepadu Khazanah (Berita RTM 2024), where multiple government agencies with different expertise collaborate to take down crimes involving cross-cutting issues such as the illegal wildlife trade.

As the term 'environment' is so broad and can mean so many different things, it is important for this chapter to also define its scope. Areas that will be specifically covered include environmental quality, solid waste, freshwater resources and supply, forestry, protected areas, wildlife, biological resources, climate change, as well as land use and spatial planning. This chapter will specifically exclude the following areas, although they do have a bearing on the environment, such as development, energy, agriculture, mining, indigenous peoples, nuclear energy and management, as well as tourism and ecotourism.

## SCHEDULE 9 OF THE FEDERAL CONSTITUTION AS THE SKELETON OF THE FRAMEWORK

The Federal Constitution is considered the supreme law of Malaysia [Federal Constitution, Article 4(1)]. Article 74 specifically defines the subject matters that the federal or state legislatures may legislate on, drawing reference to the Ninth Schedule. The Ninth Schedule consists of five lists, namely List I – Federal List; List II – State List; List IIA – Supplement to State List for States of Sabah and Sarawak; List III – Concurrent List; and List IIIA – Supplement to Concurrent List for states of Sabah and Sarawak.

If a subject matter is listed in the Federal List, it is to be legislated by the federal legislature. If it is in the State List, it is to be legislated by the state legislature. And if it is in the Concurrent List, both state and federal legislatures may legislate on it. There are some exceptions for Sabah and Sarawak per the supplementary lists. It is also worth noting that Article 77 grants residual powers to the states to legislate on any matters not in the lists of the Ninth Schedule.

The term "environment" is not listed anywhere in the Ninth Schedule. However, various aspects affecting the environment can be found in these lists. For example, the Federal List consists of, among others, maritime and estuarine fishing and fisheries, welfare of the aborigines, prevention of plant diseases, and tourism. The State List includes subject matters such as land, forests, as well as turtles and riverine fishing. Subject matters in the Concurrent List include protection of wild animals and wild birds, national parks, town and country planning, public health etc.

Due to this, environmental legislation would consist of a mixture of both state and federal legislation. In addition to that, there are many laws that are strictly speaking, not environmental laws, but would have an impact on the environment. For instance, public works (this would regulate the construction industry), agriculture (expansion of agriculture may lead to deforestation), and external affairs (this governs Malaysia's international commitments to environmental treaties).

This fragmented distribution of power creates a complex administrative landscape that is evident in the grey areas of maritime jurisdiction, for instance. While the State List grants individual States authority over "land" which includes the seabed and subsoil within state waters (typically three nautical miles), the Federal List reserves authority over "maritime and estuarine fishing and fisheries".

This jurisdictional overlap creates a unique legal paradox regarding coral reefs. As reefs are physically attached to the seabed, they are technically categorised as "state land". However, under the Fisheries Act 1985, "fish" is defined broadly to include corals and other aquatic flora. Consequently, the management of these living resources falls under Federal jurisdiction. This duality means that while a state can regulate activities affecting the physical seabed (such as land reclamation), the Federal government regulates the "life" of the reef, such as prohibiting the collection of corals. A similar distinction exists between turtles and riverine fishing (state) and maritime fishing (federal).

Apart from that, it is also worth noting that there are a few other provisions in the Federal Constitution describing the operation of the lists in the Ninth Schedule at Part VI of the Federal Constitution. Due to this, the Federal Constitution, and particularly the Ninth Schedule, can be considered the skeleton for the framework that governs environmental policy and legislation.

**Environmental Quality**

The key environmental quality legislation in Malaysia is the Environmental Quality Act 1974, and it mainly governs issues such as pollution, primarily concerning air and water. It is the origin of various secondary legislation such as Environmental Quality (Control of Emission from Petrol Engines) Regulations 1996 and the Environmental Quality (Delegation of Powers on Marine Pollution Control) Order 1994. The National Policy on the Environment is the main environmental policy document in force since 2002.

For Sabah, both the Environmental Quality Act 1974 and the Environmental Protection Enactment 2002 apply in governing the environment. The Environmental Protection Enactment 2002, as administered by the Environment Protection Department of Sabah, applies to activities falling within the State's jurisdiction, including activities concerning the exploitation, development, and utilisation of land and natural resources, including water, soil, minerals, forests, and other natural resources.

In Sarawak, environmental quality is primarily governed through the Natural Resources and Environment Ordinance 1949 (NREO), administered by the Natural Resources and Environment Board (NREB). The NREO provides the overarching framework for pollution control, environmental impact assessment, and regulation of activities affecting air, water, and land quality within the State.

At the policy level, environmental quality objectives are embedded within broader development strategies, notably the Post-Covid-19 Development Strategy 2030 (PCDS 2030) and the Sarawak Sustainability Blueprint 2030, which integrate environmental protection with economic development. Sector-specific policy direction is further provided through the Sarawak Energy Transition Policy (SET-P) and the Green Economy Policy, both of which have implications for air quality, emissions management, and sustainable resource use.

Although Federal legislation such as the Environmental Quality Act 1974 applies in Sarawak in limited aspects, environmental regulation in practice is largely implemented through the State framework, particularly for activities involving land use and natural resource exploitation.

**Solid waste**

Solid waste legislation in Peninsular Malaysia can be quite complex. There is the Solid Waste and Public Cleansing Management Act 2007. However, this act only applies to the States of Perlis, Kedah, Pahang, Negeri Sembilan, Malacca and Johor, as well as the

Federal Territories of Kuala Lumpur and Putrajaya. Besides this legislation, solid waste is a component covered under the Local Government Act 1976 which governs how local authorities operate.

Key national policies include the National Solid Waste Management Policy 2016, the National Strategic Plan for Solid Waste Management 2019 – 2030 and the National Cleanliness Policy 2019. A critical evolution in Malaysia's waste policy is the recognition that land-based waste is the primary source of marine pollution. To address this, the government launched the National Marine Litter Policy and Action Plan 2021 – 2030 (NMLPAP). This policy bridges the gap between terrestrial waste management and marine conservation, acknowledging that mismanaged plastic waste on land inevitably enters the maritime domain, threatening biodiversity and the ocean economy.

For Sabah, the key legislation on solid waste is the Solid Waste and Public Cleansing Management Enactment 2022. This and related state policies for solid waste and urban cleanliness fall under the jurisdiction of the Sabah Ministry of Local Government and Housing.

In Sarawak, solid waste management is primarily implemented by local authorities under the Local Authorities Ordinance 1996, which empowers local councils to regulate refuse collection, disposal, and public cleanliness through by-laws and enforcement mechanisms. Public health considerations related to improper waste handling are supported under the Protection of Public Health Ordinance 1999, particularly where the accumulation or mismanagement of solid waste poses sanitation and health risks.

At the policy level, solid waste and urban cleanliness are addressed through broader planning instruments such as the PCDS 2030 and urban-specific initiatives including the Kuching Smart City Masterplan, which incorporates waste management, circular economy principles, and service efficiency into municipal planning.

**Freshwater resources and supply**

For Peninsular Malaysia, key legislation include the Suruhanjaya Perkhidmatan Air Negara Act 2006 and the Water Services Industry Act 2006, both of which regulate water supply and sewerage services. Sewerage is also governed by the Sewerage Services Act 1993. Then there is the Street, Drainage and Building Act 1974, which regulates drainage, among other things. Apart from that, there is the Waters Act 1920, which provides for the control of rivers and streams. However, it only applies to the states of Negeri Sembilan, Pahang, Perak, Selangor, Malacca, Penang, and the Federal Territories.

In each state in Peninsular Malaysia, there tends to be a water supply enactment and a water resources enactment. The water resources enactment provides the power to manage water resources such as rivers, catchment areas, etc., whereas the water supply enactment typically focuses on water supply to domestic and commercial users. Key national policies affecting freshwater include the Water Sector Transformation 2040 and the National Water Resources Policy.

The Water Resources Enactment 1998 is the primary legislation governing water resources in Sabah, providing for sustainable water management, efficient water use, and the establishment of Water Conservation Areas and Water Protection Areas.

In Sarawak, the Sarawak Rivers Ordinance 1993 governs the management, use, and protection of rivers and riverine environments, while the Water Ordinance 1994 regulates water supply services and water resource utilisation.

These legal instruments are complemented by strategic policy direction under the PCDS 2030 and the Sarawak Sustainability Blueprint 2030, which emphasise water security, sustainable catchment management, and resilience to climate-related impacts such as flooding and drought.

**Forestry**

The framework governing forestry legislation in Peninsular Malaysia is quite interesting. Although "forest" is under the State List in the Ninth Schedule of the Federal Constitution, there is a national act known as the National Forestry Act 1984 that is intended to apply across Peninsular Malaysia (National Forestry Act 1984, Section 1). However, by itself, the National Forestry Act 1984 does not apply in the respective states and only applies directly to the Federal Territories of Malaysia. Section 1(2) specifically provides that, "*...This Act shall not come into force in a State unless it has been adopted by a law made by the Legislature of the State...*"

As a result, each state in Peninsular Malaysia has had to enact a state legislation to adopt the National Forestry Act 1984 into its own set of laws:

- National Forestry (States of Malaysia)(Adoption) Enactment (Johor 12 of 1985)
- National Forestry (States of Malaysia)(Adoption) Enactment (Kedah 2 of 1986)
- National Forestry (States of Malaysia)(Adoption) Enactment (Kelantan 11 of 1985)
- National Forestry (States of Malaysia)(Adoption) Enactment (Malacca 4 of 1985)
- National Forestry (States of Malaysia) (Adoption) Enactment (Negeri Sembilan 5 of 1986)
- National Forestry (States of Malaysia)(Adoption) Enactment (Pahang 6 of 1986)
- National Forestry (States of Malaysia)(Adoption) Enactment (Penang 2 of 1986)
- National Forestry (States of Malaysia)(Adoption) Enactment (Perak 3 of 1985)
- National Forestry (States of Malaysia)(Adoption) Enactment (Perlis 1 of 1988)
- National Forestry (States of Malaysia)(Adoption) Enactment (Selangor 5 of 1985)
- National Forestry (States of Malaysia)(Adoption) Enactment (Terengganu 1 of 1986)

While the adoption of the National Forestry Act 1984 in different states give the impression that the Act itself is applicable throughout Peninsular Malaysia, in actual fact, what applies is technically a copy of the said act and not the act itself. This becomes evident when there are amendments to the original act or the respective state enactments. For example, the Selangor enactment was amended in 2011 to include a public inquiry requirement in the state forestry enactment [Selangor National Forestry Act (Adoption)(Amendment) Enactment 2011]. However, this only changed the forest enactment in Selangor and had no bearing on the original National Forestry Act 1984 nor the respective state enactments in all the other states.

Amendments to the National Forestry Act 1984 also require adoption in each state legislature to take effect, and states may even choose parts to adopt and whether to adopt these amendments at all (Raman 2025). For example, as of March 2025, only Perlis and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan had adopted the National Forestry (Amendment) Act 2022, more than two years after it had been passed (Raman 2025).

The key document for forest policy in Malaysia is the Malaysia Policy on Forestry 2022. Interestingly, it functions as a compilation of the forestry policies of Peninsular Malaysia, Sabah, and Sarawak into a single document. However, the policies for the three regions are still kept separate within the policy document itself (i.e., there are separate parts for Peninsular Malaysia, Sabah, and Sarawak within this document). Besides that, there are forest connectivity policies such as the Pelan Induk Rangkaian Ekologi Central Forest Spine Masterplan 2022 (PIRECFS 2022), and the Sabah Heart of Borneo Strategic Plan of Action 2021 – 2030.

**Protected areas**

Protected areas here refer to areas that are legally protected primarily for the conservation of biodiversity and ecosystems. However, due to the legal complexity involved, a state park in one state may be managed very differently to a state park in another state, despite both being called state parks. It is worth noting that there is a lot of push from international platforms to call for gazettement and better management of protected areas. These include accreditations and recognitions such as UNESCO World Heritage sites, CA|TS, IUCN Greenlist, RAMSAR sites, and Important Bird and Biodiversity Areas (IBAs).

However, these accreditations and recognitions do not by themselves confer legal protection. Instead, it is the domestic laws that actually provide the sites involved with legal protection. For Peninsular Malaysia, protected areas can be gazetted via the National Forestry Act 1984 (or rather the corresponding state enactments). Section 10 of the Act provides for different classifications for forest reserves including "soil protection forest", "water catchment forest", "state park", and "forest sanctuary for wild life" among others.

Apart from "timber production forest", other forest classes are generally implied to be protected and not logged, in order to perform the purpose of their respective functional class. However, there have been cases of logging occurring within forests classified under these protected classes. It is also important to take note that the default classification of forest reserves is "timber production forest" and that most forest reserves fall under this category.

Besides that, there are national park and state park legislation such as the Taman Negara Enactment (Kelantan) 1938, Taman Negara Enactment (Pahang) 1939, Taman Negara Enactment (Terengganu) 1939, National Parks Act 1980, National Parks (Johor) Corporation Enactment 1989, Perak State Parks Corporation Enactment 2001, Selangor State Parks Corporation Enactment 2005, Terengganu State Parks Enactment 2017, and Pahang State Parks Corporation Enactment 2021. It is worth noting that "national parks" in Johor are actually state parks as they are managed completely by the Johor National Parks Corporation, a state entity. The Taman Negara enactments in effect create three different state parks via their respective states and consolidates it into a national park that is under the control of the Federal government. State parks can also be constituted via the state forestry enactments, which was the case for the Perlis State Park (MyBIS 2025).

There are other forms of protected areas that can be gazetted under the Wildlife Conservation Act 2010 such as wildlife reserves and wildlife sanctuaries Wildlife Conservation Act 2010, Section 47). Land can also be conserved for general or public purposes, either directly or indirectly for biodiversity conservation through the National Land Code, Land Conservation Act 1960, National Heritage Act 2005, and possibly other legislation. The key policy document driving the advancement of protected areas is the National Policy on Biological Diversity 2022 – 2030.

In Sabah, the Forest Enactment 1968 is the main law governing forest reserves. Under section 5 of this Enactment, protected areas can be gazetted under different classes of protection: Protection Forest (Class I), Virgin Jungle Reserve (Class VI), and Wildlife Reserve (Class VII). The Parks Enactment 1984 governs the establishment and management of state parks and national reserves (terrestrial and marine) under Sabah Parks. Wildlife sanctuaries are gazetted under section 9 of the Wildlife Conservation Enactment 1997 to ensure protection of wildlife habitat, biodiversity values, and protection of significant species.

In Sarawak, certain ecologically significant landscapes are designated for conservation purposes despite not being gazetted as protected areas under statutory instruments. One such example is Ulu Sungai Menyang, which was designated by the Sarawak Forestry Corporation as a Special Conservation Area in 2015 due to its importance for orangutan habitat and landscape connectivity. This recognition does not confer legal protection under the National Parks and Nature Reserves Ordinance 1998 or the Forests Ordinance 2015. Rather, it represents a policy and administrative designation that informs land-use planning, environmental assessment, and conservation management. In practice, such areas function as *de facto* conservation areas and align conceptually with Other Effective Area-Based Conservation Measures (OECMs), where conservation outcomes are achieved outside formally designated protected areas.

Unlike terrestrial protected areas, which are predominantly state-managed, Marine Protected Areas (MPAs) in Malaysia are governed by a dual-track system depending on their location and the specific living resources being protected. For instance, Federal Marine Parks (Peninsular Malaysia and Labuan): The primary legal instrument for marine conservation is the Fisheries Act 1985. Under Part IX (Sub-sections 41), the federal government has the power to establish Marine Parks or Marine Reserves. These are officially gazetted through the Establishment of Marine Parks Malaysia Order 1994 [Perintah Penubuhan Taman Laut Malaysia (Pindaan) 2023]. These areas typically extend two nautical miles from the low-water mark of gazetted islands and are "no-take zones," meaning fishing and coral collection are strictly prohibited.

**Wildlife**

Wildlife conservation laws differ across Peninsular Malaysia, Sabah and Sarawak. Nevertheless, at the federal level, there are uniform laws to deal with the international illegal wildlife trade. The key legislation for this is the International Trade in Endangered Species Act 2008, which essentially translates Malaysia's international commitments under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, of which Malaysia is a signatory, into domestic legislation.

For Peninsular Malaysia, the main legislation for wildlife is the Wildlife Conservation Act 2010. The Schedules in this Act determine whether a species of wildlife is protected, totally protected, controlled, or allowed for aborigine consumption. However, aquatic wildlife is governed by a different set of rules. Under the Fisheries Act 1985, the definition of "fish" is broad enough to include marine mammals.

Specifically, the Fisheries (Control of Endangered Species of Fish) Regulations 1999 (and its 2019 Amendment) serve as the primary protection for marine wildlife. These regulations prohibit the fishing, disturbing, or possessing of species listed in the Schedule. Notable protected species include marine mammals (all species of whales, dolphins, and dugong) as well as sharks and rays, where the 2019 Amendment significantly expanded protection to include the whale shark and several species of hammerhead sharks and manta rays.

While fishing remains an important part of diet, culture, and livelihoods in Malaysia, it is carefully regulated to maintain sustainable stocks. Measures such as licensing, gear restrictions, catch limits, seasonal closures, and spatial protections are applied, with decisions on which species need strict protection informed by scientific assessments, population trends, ecosystem roles, and socio-economic considerations.

Apart from that, specific state enactments protect unique aquatic species, such as the Kedah River Terrapin Enactment 1972 and the Terengganu Turtles Enactment 1951, which manage nesting habitats that fall under State land jurisdiction.

The key policy document on biodiversity and wildlife is the National Policy on Biological Diversity 2022 – 2030. Besides that, there are certain policy documents that are focused on selected key species such as the National Tiger Conservation Action Plan, the National Elephant Conservation Action Plan, the Malayan Tapir Conservation Action Plan, the National Plan of Action for the Conservation and Management of Sharks, and the National Plan of Action for the Conservation and Management of Sea Turtles.

For Sabah, the legislation for wildlife is the Wildlife Conservation Enactment 1997 (WCE) which covers both flora and fauna, and the Sabah Inland Fisheries and Aquaculture Enactment 2003 (SIFAE), which covers marine species and its habitat. Schedules in the WCE determine wildlife that are totally protected and those that are partially protected for which hunting or harvesting license is required. The provisions in the SIFAE provide protection to selected species and habitat protection.

Wildlife conservation in Sarawak is governed by the Wildlife Protection Ordinance 1998, which provides for the protection, management, and regulation of both fauna and flora. The Ordinance establishes schedules of protected species and regulates hunting, trade, and possession of wildlife. At the policy level, wildlife conservation objectives are articulated through the Sarawak Biodiversity Master Plan (SBMP), which provides strategic direction for biodiversity conservation, research, and sustainable use.

**Biological resources**

Some aspects of this are already covered in other parts of this article (i.e., forests and wildlife). This section therefore focuses on areas that have not yet been covered. At the federal level, key legislation include the Access to Biological Resources and Benefit Sharing Act 2017 and the Biosafety Act 2007. In terms of policy, the National Policy on Biological Diversity 2022 – 2030 is also the key policy document for this area.

In Peninsular Malaysia, states may also take charge of their biological resources and create legislation for this, although this is rare. At the moment, Pahang seems to be the only state that has done so (Pahang Biodiversity Enactment 2021). In Sarawak, there is the Sarawak Biodiversity Centre Ordinance 1997, which supports biodiversity research, documentation, and access-and-benefit-sharing mechanisms.

In addition to the above, Malaysia's signing of the Biodiversity Beyond National Jurisdiction (BBNJ) Agreement in 2025 marks an important development for the governance of biological resources beyond national jurisdiction. While the Agreement focuses on marine areas outside national boundaries, it has direct implications for Malaysia's approach to access to marine genetic resources, benefit-sharing, and scientific research cooperation. The BBNJ Agreement introduces new international obligations on the conservation and sustainable use of marine biological resources, including requirements for transparency, environmental impact assessments, and equitable sharing of benefits arising from the utilisation of marine genetic resources.

Over time, this is expected to influence domestic legal and policy frameworks, particularly the implementation of the Access to Biological Resources and Benefit Sharing Act 2017 and the National Policy on Biological Diversity 2022 – 2030, to ensure alignment with emerging global standards on marine biodiversity governance.

**Climate change**

Climate change governance in Malaysia is anchored upon a combination of international commitments, national policies, and sector-specific and in some instances, state-specific legal instruments. Malaysia is currently developing a climate change bill and it remains to be seen how this legislation will look like in due course. In the meantime, national governance is being shaped by several factors in the absence of specific legislation.

***International commitments***

Malaysia's climate governance is fundamentally shaped by its obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, under which Malaysia has submitted successive Nationally Determined Contributions (NDCs). Malaysia's Third NDC (2025) commits to an absolute reduction of 15 – 30 $MtCO_2eq$ by 2035, including conditional reductions subject to international finance, technology transfer and capacity building. Importantly, the Third NDC also incorporates adaptation strategies, including the development of the Malaysia National Adaptation Plan (MyNAP), which is underway.

Climate action is further reinforced through Malaysia's commitment to the 2030 Agenda for Sustainable Development, particularly SDG 13 on Climate Action. Increasingly, other international frameworks are embedding climate considerations, including the Kunming -Montreal Global Biodiversity Framework (GBF) 2030 under the Convention on Biological Diversity (CBD), which Malaysia is also party to. Notably, Target 8 focuses on minimising climate impacts through ecosystem-based approaches and enhancing resilience, while Target 11 emphasises nature-based solutions to maintain ecosystem services critical for climate adaptation and disaster risk reduction. These commitments reinforce the interlinkages between climate action, biodiversity conservation and ecosystem resilience.

***National legal framework***

At the national level, Malaysia does not yet have a single overarching law that operationalises its UNFCCC and Paris Agreement obligations. Instead, climate governance has evolved through sector-specific and issue-based legislation, predominantly focused on mitigation.

Key legislative instruments include:

- Environmental Quality Act 1974 – Malaysia's core environmental statute, regulating pollution and environmental impacts, though not explicitly climate-focused.
- Renewable Energy Act 2011 – Establishes feed-in tariffs to promote renewable energy generation.
- Energy Efficiency and Conservation Act 2024 – Regulates energy efficiency across large energy users, buildings and appliances, supporting emissions reduction and carbon neutrality goals.
- Carbon Capture, Utilization and Storage Act 2025 – Governs carbon capture and storage activities, reflecting a mitigation-driven and economically-oriented approach to emissions reduction, and which remains silent on environmental and social viability and safeguards.

While these laws contribute to mitigation, they do not adequately address adaptation, resilience, accountability, or climate justice, nor do they provide an integrated framework for coordinating federal and state action.

***National policy landscape: Mitigation and adaptation***

Malaysia's climate governance is currently more robust at the policy level. The National Climate Change Policy 2.0 (2024) is the central coordinating framework, integrating Paris Agreement requirements and providing guidance for regulatory instruments, including the proposed Climate Change Act. Through its five strategic thrusts, the policy seeks to advance low-carbon development while enhancing climate resilience.

On mitigation, key policies include the National Energy Transition Roadmap (NETR), National Energy Policy 2022 – 2040, Low Carbon Mobility Blueprint 2021 – 2030, New Industrial Master Plan 2030, Green Technology Master Plan 2017 – 2030, and the National Construction Policy 2030. Collectively, these policies target decarbonisation of energy, transport, industry and the built environment, largely through technology deployment, efficiency gains, and market-based instruments.

On adaptation and resilience, policies such as the National Policy on Biological Diversity 2022 – 2030, Malaysia Policy on Forestry (2021), National REDD Plus Strategy, National Agrofood Policy 2021 – 2030 (NAP 2.0), Water Sector Transformation 2040, and the Fourth National Physical Plan play a critical role. These frameworks to some extent promote ecosystem-based adaptation, food and water security, sustainable land use planning and forest conservation, aligning with reported MyNAP priorities.

The 13th Malaysia Plan (2026 – 2030) consolidates these efforts by positioning energy transition and climate resilience as central pillars of sustainable development, while the National Action Plan on Business and Human Rights (NAPBHR) 2025 – 2030 strengthens environmental and social safeguards within corporate climate action.

***Climate finance and the role of Bank Negara Malaysia***

Under the leadership of Bank Negara Malaysia, climate governance has expanded into the financial sector. Key initiatives include the Climate Change and Principle-based Taxonomy, climate-related risk management guidelines, and growing emphasis on ESG integration and climate-related financial disclosures. These measures aim to align financial flows with low-carbon and resilient development pathways.

***Sabah***

Sabah recently enacted the Climate Change and Carbon Governance Enactment 2025. This legislation provides the legal framework for the State in governing carbon-related activities, the protection of Sabah's carbon assets, and in building institutional climate resilience. Through this law, the Sabah Climate Action Council (SCAC) was established serving as the State's top policy advisory body on climate issues. The SCAC functions as the policy-making body, while a director will oversee carbon-related activities and greenhouse gas emissions.

Key provisions under this law include the creation of a Climate Fund and Inventory Centre to support climate related projects and for managing climate related data; mandated emissions reporting by listed entities; affirmations that carbon rights belong to the state government; mandated participation of indigenous communities, especially for projects on customary land; requirements for emissions balancing, and; mitigation and adaptation planning for the State.

***Sarawak***

Climate change governance in Sarawak is characterised by a state-led, policy-driven approach supported by sectoral legislation. While there is no single comprehensive climate change statute governing all aspects of climate action, Sarawak has taken a proactive stance through the Environment (Reduction of Greenhouse Gases Emission) Ordinance 2023 and enacting climate-relevant provisions under the Land Code 1958 and Forests Ordinance 2015, particularly where land use and forest carbon are concerned.

Key policy instruments include the PCDS 2030, Sarawak Sustainability Blueprint 2030, and the Sarawak Energy Transition Policy (SET-P), which collectively frame Sarawak's approach to emissions reduction, renewable energy development, and low-carbon economic transformation.

**Land use and spatial planning**

In Peninsular Malaysia, the framework for land use and spatial planning is largely provided for under the framework of the National Land Code 1965 and the Town and Country Planning Act 1976. The latter provides a zoning system at the national, state and local levels, leading to the development of the national physical plan, the state structure plans, and finally local and special area plans. The zoning of these plans are binding and strictly regulate the kind of projects and activities that are permitted in each area.

Policies influencing land use in Peninsular Malaysia include the 2nd National Urbanisation Policy and the National Rural Physical Policy 2030. There are also regional spatial planning projects like the Cameron-Kinta-Lojing (CEKAL) region.

For Sabah, the main legislation that regulates land use and spatial planning is the Town and Country Planning Ordinance. This Ordinance regulates the preparation and enforcement of planning schemes such as the State Structure Plan, District Plans, and Local Plans. These plans determine the kind of development allowed according to its zoning. The Sabah Structure Plan is the highest-level statutory spatial planning instrument in the State, providing the strategic framework that guides land use, development, and infrastructure planning for Sabah.

Land use and spatial planning in Sarawak are governed by the Sarawak Land Code 1958, which provides the foundational legal framework for land administration, alienation, and use. Strategic land use direction is articulated through the Sarawak Land Use Master Plan, which guides development patterns, infrastructure planning, and conservation priorities.

These instruments are supported by broader policy frameworks such as the PCDS 2030, ensuring integration between spatial planning, economic development, and environmental sustainability. Coastal and marine spatial considerations are informed by national-level initiatives such as the Rancangan Fizikal Zon Pesisiran Pantai Negara (RFZPPN) and state-centric Integrated Coastal Zone Management Plans and Integrated Shoreline Management Plans, where applicable.

## CONCLUSION

As demonstrated throughout this paper, the environmental policy and legislative framework in Malaysia is extensive and multifaceted, comprising both federal and state laws that operate across different sectors and jurisdictions. It is hoped that this article is able to provide a functional overview on the policy and legislative landscape governing the environment and that readers will be better able to navigate through this realm more effectively with its help.

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