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CHAPTER 24

Financing biodiversity conservation in Malaysia

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Abstract: Global biodiversity conservation is constrained by persistent financing shortfalls, with an estimated USD 700 billion annually required to halt biodiversity loss by 2030. For upper-middle-income countries such as Malaysia, securing adequate conservation funding presents distinct challenges due to declining access to concessional international assistance and continued reliance on limited public expenditure. Although the Malaysian Federal government has launched several initiatives to support local conservation efforts, they remain insufficient to meet national conservation needs. Here, we: 1) examine the landscape of conservation finance in Malaysia; 2) highlight institutional and implementation barriers; and 3) propose recommendations to strengthen enabling conditions for conservation investment. Ultimately, conservation finance should function as a complement to public expenditure and mobilising private, philanthropic, and blended capital will be critical to sustaining Malaysia's biodiversity and ecosystem services in the context of economic transition.

INTRODUCTION

Prior to the current economic slowdown brought about by multiple geopolitical crisis (e.g., United States–China trade war, the Russia–Ukraine conflict, and the United States–Iran standoff), global conservation efforts were already constrained by capital shortages. To halt global biodiversity decline by 2030, experts estimated around USD 700 billion would be needed every year to close financing gaps (Duetz *et al.* 2020). At the resumed COP16 negotiations in 2025, governments adopted the first global strategy to finance biodiversity, marking a significant step toward closing this funding gap. This agreement, reached under the Convention on Biological Diversity (CBD), sets a framework for mobilising financial resources to implement the Kunming-Montreal Global Biodiversity Framework (GBF); Target 19 specifically aims to mobilise USD 200 billion worth of conservation finance annually for biodiversity by 2030. Conservation finance can be broadly defined as strategies, means, tools or activities that are used to generate capital to fund the conservation of nature and biodiversity for the general benefit of nature and society (Clark 2012), and is usually refers as non-donor based or innovative financing. Despite being one of the world's 17 megadiverse countries, Malaysia still faces significant challenges in securing adequate conservation finance. Since Malaysia became an upper-middle-income country in 1996, obtaining sufficient conservation financing from abroad has become even more challenging. Malaysia previously received financial aid from multilateral organisations, but it can no longer rely on international finance for its development. Notably, Malaysia is no longer a net recipient of official development assistance (Afandi *et al.* 2024). The public sector is the primary source for environment-related expenses, but budget allocations for conservation efforts have remained low, below 1% of the GDP (Afandi *et al.* 2024).

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To allow us to better understand the conservation finance ecosystem, the Conservation Finance Alliance has collated a list of at least 30 known mechanisms (Meyers *et al.* 2020); these can be categorised into seven core operational areas (Table 1): A) return -based investments; B) economic instruments; C) grants and other transfers; D) business and markets; E) public financial management; F) risk management; G) financial efficiency. In this review, we: 1) provide examples of how some of these mechanisms under each category have been used to finance conservation in Malaysia; 2) discuss challenges facing their implementation; and 3) provide recommendations to overcome them.

Table 1. A taxonomy of conservation finance mechanisms according to the Conservation Finance Alliance.

Category	**Subcategories / Mechanisms**
A. Return-Based Investments	• Microfinance • Peer-to-peer (P2P) Investing and Crowdfunding • Angel Investing, Incubators and Venture Capital • Private Equity • Debt: Leasing, Bank Loans, Notes, Trade Finance • Capital Markets • Sustainable Investment Strategies
B. Economic Instruments	• Environmentally Related Taxes • Fees and Charges • Tradable Resource Use Permits • Fines and Penalties • Compensation and Offsets • Deposit-refund Schemes • Environmentally Motivated Subsidies
C. Grants & Other Transfers	• Official Development Assistance (ODA) • Private and Corporate Philanthropy • Remittances • Conservation Trust Funds / Environmental Funds
D. Business & Markets	• Supply Chain Resilience • Conservation Businesses • Corporate Social Responsibility and Sustainability • Voluntary Offsets
E. Public Financial Management	• Public Fiscal Planning, Budgeting and Disbursement • Fiscal Transfer • Government Grants • Reforming Harmful Subsidies • Earmarking Revenues for Nature
F. Risk Management	• Insurance Products • Pay for Success • Blended Finance
G. Financial Efficiency	• Management Effectiveness • Public-Private Partnerships (PPPs) • Integrated Accounting • Mainstreaming Biodiversity in Development

A. Return-based investments

Debt instruments such as bonds are examples of return-based investments that can help mobilise large-scale upfront capital for conservation activities such as restoration, corridor protection and watershed management (Hjort-Falsted *et al.* 2026). They take three broad forms: 1) Use-of-proceeds green or sustainability bonds ring-fence proceeds for eligible projects; 2) Sustainability-linked bonds leave proceeds unrestricted but tie the coupon (interest) to the issuer's performance against sustainability targets; and 3) Outcome bonds link investor returns to conservation outcomes based on independently verified results. Safeguards can be embedded through eligible project criteria, environmental and social risk management, Key Performance Indicators (KPIs), sustainability performance targets, and outcome verification arrangements, depending on the structure in place. This follows ICMA's Practitioner's Guide for Sustainable Bonds for Nature, which introduced the option for thematic bonds aligned with the Green Bond Principles, and whose proceeds are used exclusively for nature-related projects, to carry the secondary designation "Nature Bond" (ICMA 2025).

Malaysia is well placed to issue such instruments because it already has a strong sustainable debt market. The Securities Commission Malaysia launched its Sustainable and Responsible Investment (SRI) Sukuk Framework in 2014 (Securities Commission Malaysia 2014), and Tadau Energy issued the world's first green sukuk in 2017. The Government of Malaysia followed with the world's first sovereign US dollar sustainability sukuk in 2021, and the Securities Commission introduced an SRI-Linked Sukuk Framework for performance -linked issuance in 2022 (Securities Commission Malaysia 2022). Issuers can also align with the ASEAN Green, Social and Sustainability Bond Standards. Additional issuance costs for thematic bonds, including framework development, external review, monitoring and reporting, remain a barrier. The SRI Sukuk and Bond Grant Scheme help offset external review costs, while eligible issuance expenses may qualify for tax treatment (UNDP 2024). A nature-themed sukuk or bond for conservation would therefore build on familiar rails rather than start from scratch.

In practice, sovereign and sub-national issuances could finance shared ecological infrastructure such as forest corridors, with proceeds tied to verified conservation outcomes and with safeguards such as Free, Prior and Informed Consent (FPIC) and equitable benefit -sharing written into the bond framework. Regional precedent exists. Indonesia issued the world's first publicly offered sovereign blue bond in 2023, raising about USD 150 million in line with ICMA principles, with proceeds directed to marine biodiversity conservation, mangrove rehabilitation, coastal protection and sustainable fisheries (UNDP 2023). At the species level, the World Bank's 2022 Wildlife Conservation Bond, also known as the rhino bond, paid investors a success coupon tied to verified growth in black rhino populations in South Africa (World Bank 2022; Figure 1). Its 2024 Amazon Reforestation-Linked Outcome Bond applied a similar outcome-linked logic to carbon removal units generated through reforestation, with the project expected to restore thousands of hectares (World Bank 2024).

For Malaysia, the priority is to use its exsiting sukuk and sustainable bond architecture to move beyond do-no-harm safeguards and finance measurable gains in habitat connectivity, species recovery and ecosystem resilience. Indeed, there have been efforts to design a nature-themed bond that is similar to the rhino bond to support the conservation of the Malayan tiger.

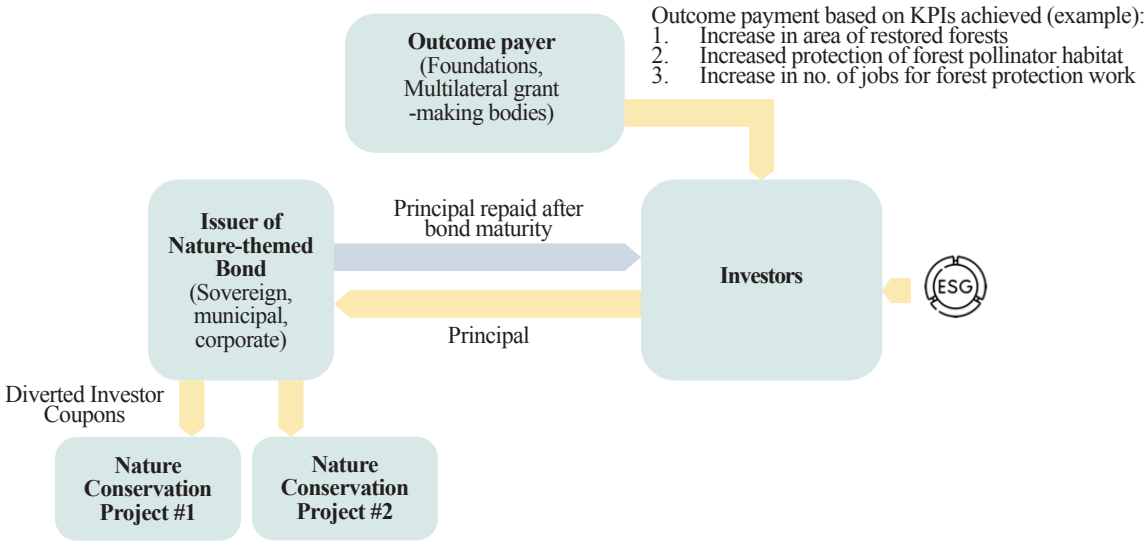

Figure 1. Structure of nature-themed bond modelled after World Bank's rhino bond.

B. Economic instruments

Under this model, NGOs and private companies could pay governments fees to lease concessions of protected areas in which they obtain management rights, and commit to funding and ensuring protection and restoration of the area while utilising it to generate income. The most established example of this is tourism concessions (Ramli *et al.* 2024), where governments grant a private resort operator a fixed-term concession to operate accommodation, food and beverages, as well as other tourism activities in a protected area. Marketing protected areas as a prime eco-tourism asset is essential for the success of tourism concessions because this would attract the best and most experienced operators that can not only maximise ecotourism potential but also deliver on conservation promises committed to the protected area. Additionally, these trusted operators would work with local communities to create opportunities such as nature guides that prioritise and enhance local livelihoods. Not only would the tourism concession generate tangible financial revenue for the protected area, the protected area management can then focus on achieving conservation goals rather than managing and running tourism programmes or assets. Although these concessions can take have alternative financial structures such as profit sharing or additional fees or licensing requirements.

In Sabah, the Sugud Islands marine conservation area offers an example of a successful tourism concession in Malaysia (Teh *et al.* 2008). The approximately 462 km^2 archipelago in the Sulu Sea, which includes the three islands of Lankayan, Billean and Tegapil, is established as a Category II conservation area under the IUCN Protected Area Management Category. Reef Guardian was officially appointed as the management company responsible for conservation activities. Reef Guardian leases the islands of Lankayan, Billean, and Tegapil from the Sabah Wildlife Department for 30 years for a fee of RM 60,000 per year. Reef Guardian then sub-leases the Sugud Islands to Lankayan Island Dive Resort (LIDR) for RM 35,000 annually. Reef Guardian generates revenue by charging a conservation fee of RM 20 per visitor per night and uses this revenue to fund management and conservation programmes. Additional funds to balance expenses are subsidised annually by private investors, which include the owners of LIDR. This demonstrates that tourism is a valuable tool to achieve a self-financing status whereas conservation fees can cover annual operating costs. Financial risks are further mitigated by maintaining a resilient financial structure that is not entirely dependent on tourism by obtain funds from other means such as conservation grant and private investors.

C. Grants and other transfers

Grants are arguably the most popular and competitive source of conservation finance for Non-Governmental Organisations (NGOs) to achieve biodiversity conservation outcomes. Common sources in Malaysia include private and corporate philanthropy (e.g. foundations, CSR/ESG donations), official development assistance (e.g. United Kingdom Partnering for Accelerated Climate Transitions [UKPACT]), and conservation trust funds such as the National Conservation Trust Fund for Natural Resources in 2014 by the Ministry of Natural Resources and Environmental Sustainability (NRES 2026).

In Terengganu, for example, the local NGO Rimba (rimba.ngo) obtained funds from Rainforest Trust to help the state government create the 30,000-hectare Kenyir State Park (Figure 2). Subsequently, foundations such as Yayasan Sime Darby (YSD) donated RM1.5 million to the Terengganu State Park Management Council to support improved management and protection of this park. After Rimba's closure in 2020, one of the conservation organisations it incubated, Nature Based Solutions (NBS), obtained support from UKPACT to assist the state in exploring the feasibility of a voluntary carbon project to finance the long-term protection of the same park under the project known as Kenyir for Life (nbsmalaysia.com). While grants are typically short-term or even one-off sponsorships, this type of funding is often used by NGOs to plug funding gaps in their respective programmes. However, grants may not provide enough long-term funds to help NGOs achieve all the conservation goals intended by the NGOs. Nevertheless, such catalytic or bridge funding is vital to "buy" some time to develop longer-term financing solutions.



Figure 2. A grant from Rainforest Trust helped the NGO Rimba support the Terengganu state government in the establishment of the 30,000-hectare Kenyir State Park.

D. Business and markets

A market-based conservation finance instrument that has been widely used globally is the carbon credits or carbon finance (Goh *et al*. 2023). Such credits are often sold to buyers who either have to offset their impacts on climate voluntarily or due to regulations (e.g., carbon taxes). Carbon credit projects (Figure 3) generate revenue streams by monetising avoided deforestation or ecosystem restoration outcomes, which can then be reinvested into conservation, community livelihoods, and cross-border governance systems. Malaysia's Voluntary Carbon Market (VCM) was launched in 2022, and carbon credits were issued from the Kuamut Rainforest Conservation Project in Sabah. This example demonstrates how large, contiguous forest areas can generate sustained financing through carbon markets while embedding safeguards such as community engagement, benefit-sharing, and transparent Monitoring, Reporting and Verification (MRV) systems.

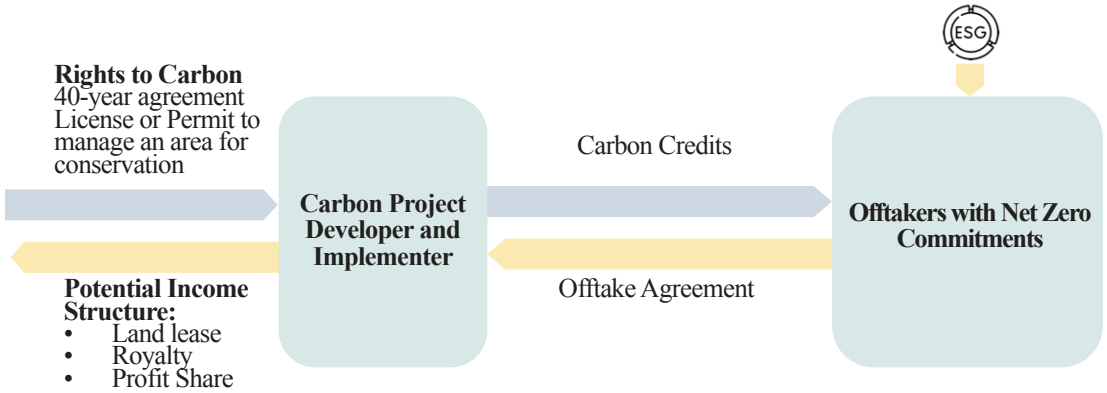

Figure 3. Structure of a voluntary carbon credit project.

Biodiversity or nature credits represent an emerging carbon finance by valuing species conservation, habitat integrity, and ecosystem services beyond carbon sequestration (Treweek 2024). Such credits are typically sold to compliance buyers who are seeking to offset their localised ecological impacts on biodiversity due to regulations, or to voluntary buyers simply interested in creating ESG impact (Figure 4). Unlike carbon accounting which uses a globally fungible emission metric (tCO_2), each unit of biodiversity credit is quantified through unique combination of metrics tailored to the ecosystem of interest or government regulations (Biodiversity Credit Alliance 2024). For instance, the metrics used to assess structural integrity or indicator species occupancy are not transferable between a coral reef and a tropical rainforest. This inherent non-fungibility and ecological complexity make the development of compliance offset markets both operationally demanding and politically contested (Carter *et al*. 2026). Despite this, offset markets are now the largest single source of nature-based solutions finance (UNEP 2026), and functional offset markets exist for wetlands in the United States, and, more recently, in England, where it delivers 10% biodiversity net gain (BNG) across c. 150 habitat sub-types.

Nevertheless, biodiversity credits remained a promising alternative to mobilise voluntary funding toward robust, evidence-based nature contributions. Manuell (2023) reported that $8 million has been pledged to develop biodiversity credit schemes in 2023, while the Bloomlabs (2025) database has documented more than $5 million in completed transactions globally; according to data, buyers are highly diverse, spanning sectors such as manufacturing, healthcare, real estate, infrastructure, luxury goods, technology, food products, among others. Promisingly, Small-Medium Enterprises (SMEs) constitutes about 80% of buyers, suggesting that lowering the ticket size of nature investments could help aggregate private funding from smaller market players, though some big companies have also been directly or indirectly involved (e.g., Microsoft, Air New Zealand).

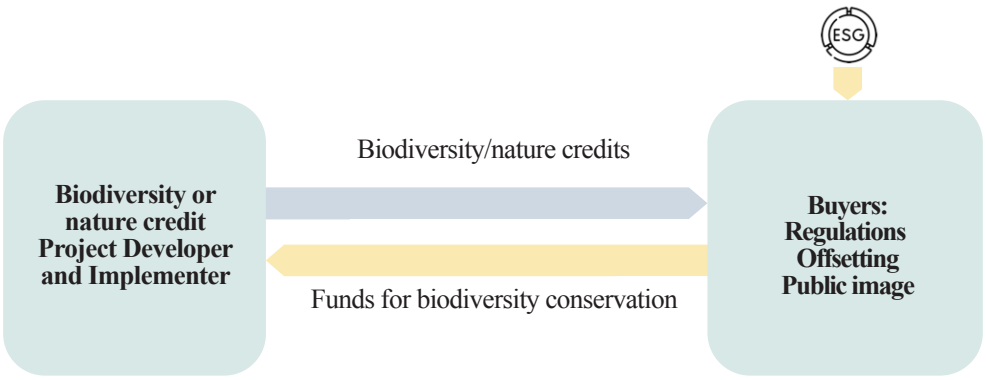

Figure 4. Structure of a biodiversity/nature credit project.

In Malaysia, biodiversity credits could incentivise conservation of high-value habitats and species corridors that are not fully captured by carbon metrics. Structurally, biodiversity credits can be linked to a "flexible basket" of site-appropriate indicators (e.g., habitat quality, endangered megafauna occupancy rates) and stacked/bundled with carbon credits or tourism revenues, while embedding safeguards such as FPIC, tenure recognition, and equitable benefit-sharing to ensure local communities access financial flows. Proving voluntary markets may lead to compliance markets being feasible over time. Although not yet widely implemented in ASEAN, early global discussions and pilot schemes highlight their potential to direct finance toward conservation outcomes where carbon revenues alone are insufficient, particularly in ecosystems with exceptional ecological value but lower carbon density.

E. Public Fiscal Management

In 2019, the federal government of Malaysia laudably implemented Ecological Fiscal Transfers (EFT) to reduce state governments' level of dependency on natural resources and exploitative activities that lead to biodiversity loss, as well as incentivise biodiversity conservation actions (i.e., Target 17 of National Policy on Biological Diversity 2022 – 2030; NRES 2022). The rationale behind the EFT programme is that state governments derive a disproportionate amount of their state revenue from premiums and royalties collected from extractive activities such as logging and mining which leads to biodiversity loss. The initial budget in 2019 was RM 70 million, and while the budget increased to RM 150 million in 2023, threats to Malaysia's biodiversity show little signs of abatement. As such, foundations, corporate or even individual sources of philanthropy are now having to play a bigger role in conservation financing. As Malaysia transitions into a developed country, innovative approaches to augment funding and financing for conservation from non-government sources are urgently needed.

F. Risk management

Payment-for-success or payment-for-performance mechanisms are a form of outcomes-based finance that is highly suited for Malaysia's landscapes because they link finance directly to verified outcomes (e.g., reduced deforestation rates, restored hectares, improved watershed services; Brokhaus *et al.* 2017). In Malaysia's forests, such mechanisms can incentivise coordinated action between countries by tying disbursements to jointly agreed indicators and shared MRV systems, thereby strengthening accountability and policy alignment. Indonesia provides strong regional examples, where results-based payments for emission reductions and ecosystem services have been used to reward subnational jurisdictions and communities for forest conservation outcomes. For example, NRES's Malaysia Forest Fund's Forest Conservation Certificates (FCC) developed under the REDD+ Finance Framework, is a non-market financing instrument that channels private sector funding into verified forest conservation, restoration, and sustainable forest management initiatives

across Malaysia (https://myforestfund.com.my). FCC projects undergo third-party verification and are registered through a transparent public registry, helping companies demonstrate measurable environmental and biodiversity contributions. Importantly, companies and individuals that contribute through FCCs are eligible for income tax deductions of up to 10% of their aggregate income under Section 44(11C) of the *Income Tax Act 1967*, subject to applicable conditions and approval limits.

Lestari Capital's Rimba Collective (https://rimbacollective.com), is another highly relevant instrument to finance landscape conservation in Malaysia. It exemplifies a private sector-driven, performance-based financing model that links corporate supply chain commitments to measurable forest Ecosystem Service Outcomes (Figure 5). By pooling funding from companies and disbursing payments based on verified results (e.g., through avoided deforestation or improved forest management), it demonstrates how long-term, results-based finance can be mobilised at landscape scale. This approach, which has been implemented in several Ecosystem Restoration sites in Indonesia, is particularly applicable to transboundary clusters, where commodity-driven deforestation pressures (e.g., palm oil, rubber) operate across borders, as it aligns incentives between producers, buyers, and conservation actors. Importantly, the model also incorporates safeguards, including community engagement and benefit-sharing, making it a relevant mechanism for ensuring that NbS financing in transboundary landscapes remains both outcome-driven and socially inclusive.

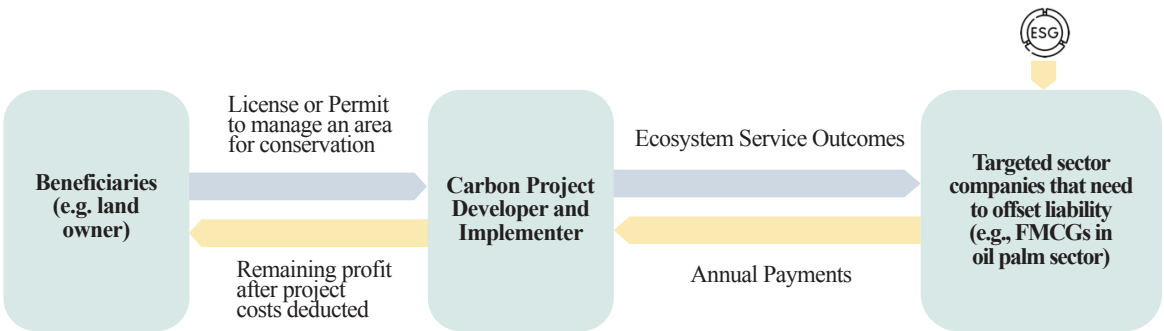

Figure 5. Diagram detailing the structure of a payment-for-performance project by the Rimba Collective.

G. Financial Efficiency

Stretching every conservation ringgit further requires integrating conservation into broader economic planning, adopting integrated environmental accounting, and forming Public-Private Partnerships (PPPs) that optimise management effectiveness. For example, the Ulu Segama –Malua (USM) Forest Management Initiative in Sabah provides a good example of improving financial efficiency by combining government-led forest management with private-sector investment, international partnerships and payments for ecosystem services. Covering approximately 241,000 hectares, the initiative brings together the Sabah Forestry Department and Yayasan Sabah to manage and rehabilitate degraded forest reserves while securing biodiversity and ecosystem services. Recognising that forest rehabilitation and silviculture activities alone cost at least RM7.15 million annually, the initiative has leveraged partnerships with international NGOs, philanthropic foundations, development partners and private companies, including Sime Darby Plantation, WWF and other conservation organisations, to share implementation costs and mobilise additional resources.

CHALLENGES

Conservation practitioners must recognise that Malaysia is not a homogeneous landscape, but a politically and historically layered terrain shaped by contested land rights, state authority, and past development interventions. This is especially important in regions rely on land-based exploitation for economic development, where conservation finance enters landscapes that have already been transformed by logging, plantation expansion, mining, infrastructure development, and state-led territorial planning (Goh and Potter 2023).

This historical background matters because conservation finance carries global assumptions about markets, contracts, and incentives. However, forests in Malaysia are not merely ecological assets; they are embedded in contested land regimes, Native Customary Rights (NCR) claims, state land ordinances, and long histories of extractive development. Forest governance is constitutionally a state matter, and debates over autonomy, revenue control, and Federal-State relations remain politically charged (Goh *et al*. 2023). Many State governments have seen successive waves of promises, from logging royalties to plantations to conservation schemes, deliver limited or uneven benefits. Conservation finance, especially carbon finance, can therefore be interpreted not as an abstract finance instrument, but as another claim on land and labour, evaluated through past disappointments as much as future possibilities.

Furthermore, conservation finance must operate within landscapes where conservation and agriculture cannot be neatly separated (Meijaard *et al.* 2023). In many tropical landscapes, biodiversity persists within mosaics of forest fragments, oil palm, smallholder agriculture, agroforestry, and village lands. Wildlife may use these mixed landscapes, while local communities depend on them for livelihoods, food security, and income. This creates a difficult policy space. Conservation finance mechanisms may therefore have no choice but to account for the wider agricultural matrix, where human-wildlife interactions, habitat connectivity, and livelihood vulnerabilities are often most visible. This makes an already complicated conservation finance landscape even more difficult to navigate.

Carbon markets, which are representative frontier of conservation finance, have recently been called out for their limitations in financing biodiversity conservation (Zeng *et al*. 2026). In Malaysia, carbon markets have presented several interrelated challenges. First, the rise of "carbon cowboys" (Goh *et al.* 2023). The absence of clearly defined carbon rights in state law, combined with evolving national positions on voluntary and Article 6 markets, has created a grey regulatory space. This has enabled intermediaries, often lightly capitalised and operating on speculative offtake models, to approach state agencies or communities with ambitious revenue projections and compressed timelines. When such deals unravel, the damage extends beyond individual projects. Failed negotiations have reinforced official scepticism, prompted tighter political controls, and framed carbon markets as another externally driven extractive frontier, just that this time under a green banner.

Second, unrealistic expectations among right holders. Expectations are frequently attributed to misinformation, but they are better understood as historically produced. Carbon revenues are often compared, implicitly or explicitly, to earlier resource rents. Per-ton prices or headline project values circulate without context, fuelling beliefs that carbon will finally compensate for decades of dispossession. In reality, most nature-based projects require years of upfront work, including baseline setting, validation, verification, before credits are issued, and net revenues are often modest once costs and buffers are deducted. Carbon literacy takes time: experience in Malaysia suggests that meaningful understanding requires years, not workshops. When expectations collide with delayed or lower-than-expected returns, trust erodes rapidly.

Third, escalating transaction costs. Carbon project development is costly everywhere, but particularly so in landscapes with Indigenous Peoples and Local Communities. Negotiations must navigate overlapping NCR claims, politically sensitive benefit-sharing expectations, and heightened scrutiny from civil society and media. Legal reviews and community engagement take time, yet early-stage grant funding for Project Design Document (PDD) development remains scarce. Private pre-financing is often the only option, but demands for large shares of future credits are politically and socially difficult to accept. The result is a stalemate: high upfront costs, limited patient capital, and negotiations that stall before implementation.

Fourth, poor direct linkages to conservation outcomes. Projects are designed to meet investor expectations of financial returns that may compromise or dilute biodiversity objectives in pursuit of maximising shareholder values. Claims around benefits, on closer assessment, may not match reality, and projects may lead to a net loss rather than a net gain from biodiversity, as in RLU Rubber's controversial sustainability bond, hailed at the time as a landmark green finance transaction (Mighty Earth 2020).

Finally, there is the broader problem of institutional patience. Many mechanisms require long project cycles, stable policy support, careful safeguards, and repeated trust -building. Yet state-level political priorities, donor cycles, corporate ESG interests, and market prices can all shift quickly. This creates a mismatch between the slow work of conservation governance and the faster expectations of finance. Without careful design, conservation finance may reproduce the same frontier logic that has shaped earlier phases of land exploitation in Malaysia: rapid entry, high expectations, uneven local participation, and disappointment when promised benefits do not materialise.

In addition to the five practical challenges mentioned above, conservation finance faces a legitimacy challenge when it is perceived as disconnected from local development needs. In Malaysia, land-use change has often been justified through promises of roads, employment, public revenue, rural services, and modernisation (Goh and Potter 2023). Conservation finance must therefore compete not only with extractive revenues, but also with the political language of development. Why should resources be allocated to conservation? Can it support credible local development pathways without repeating the uneven outcomes of earlier land-based development models? These are the fundamental questions remain to be carefully answered.

RECOMMENDATIONS

The limited success of conservation finance mechanisms in Malaysia should not be read as evidence that they are inherently unsuitable. Rather, they reveal the limits of importing market instruments without engaging deeply with state political economies, land struggles, financial incentives and institutional histories, or what are often termed "enabling conditions". Conservation finance in Malaysia is less a technical challenge than a governance test. Its future will depend not on prices or methodologies alone, but on whether it can be embedded patiently and transparently within the co-distinctive social and political realities of Malaysia's state governments, creating the enabling conditions for conservation finance mechanisms to deliver.

Based on our experience, we provide eight recommendations to help maximise the success of future conservation finance mechanisms in Malaysia:

1. Obtain political and other stakeholder alignment before project development as conservation projects without explicit state-level political backing rarely progress;
2. Identify and assess incentives for local actors for and against change; use spatial data analysis to determine where efforts are most likely to succeed; broadly assess feasibility at an early stage not just in financial or biophysical terms but also political and social feasibility;
3. Set a clear deadline for reaching contractual closure as institutional fatigue could set in if time frames are not treated as a hard boundary;
4. Simplify state-relevant benefits as decision-makers want to see clear links to State priorities (e.g., revenue stability, employment, forest management capacity, and political legitimacy);
5. Use politically comparable conservation finance projects for peer learning. For example, project located in other countries resonate less than experiences from jurisdictions facing similar sovereignty, land, and governance challenges (i.e., study visits to Sabah's Kuamut project to understand VCM projects could be useful);
6. Spend more time cultivating trust than expertise; building capacity alone is insufficient and project success usually depends on trusted local intermediaries who can bridge state governance and technical jargon;
7. Make projects publicly visible as visibility creates accountability through formal resolutions, transparent timelines, or open reporting in the politicised environments of State governments; consider third party verification of claims such as the Malaysia Forest Fund's Forest Conservation Certificates or the Tiger Conservation Coalition's Tiger Impact Certificates;
8. Design conservation finance with wider landscape dynamics in mind. Future mechanisms may benefit from complementarity and compatibility – in other words, integrating different financing mechanisms to synergistically address biodiversity conservation, agriculture, and rural livelihoods.

CONCLUSION

Scaling conservation finance in Malaysia will ultimately require increased and sustained investment from both public and private sources. The finance mechanisms that we have highlighted are promising long-term sources of conservation finance for Malaysia, especially when nature-aligned disclosures (e.g. Taskforce on Nature-related Financial Disclosures) are becoming a potential demand driver within the private sector, especially with International Financial Reporting Standards expanding the scope of disclosures to nature risks. To strengthen the accessibility and effectiveness of conservation finance, we still need to strengthen enabling conditions for private sector engagement in conservation, as well as translate Malaysia's policy commitments into operational guidance and financing frameworks that can be applied consistently across the country. Ultimately, conservation financing mechanisms are key to support the long-term sustainability of both conservation and social outcomes in Malaysia.

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