



MINISTRY OF ENERGY AND NATURAL RESOURCES
MALAYSIA

INTRODUCTION TO ECOLOGICAL FISCAL TRANSFER FOR BIODIVERSITY CONSERVATION (EFT) IN MALAYSIA



1 November 2022 (Tuesday) | Bogor, Indonesia

EFT BACKGROUNDS



- First introduced in 2019.
- As an incentive to the State Governments to protect and conserve protected areas.
- One of the key targets of the National Policy on Biological Diversity 2016-2025 (NPBD).

2019

RM60 million

2021

RM70 million



2019 BUDGET SPEECH

The Government is committed to take all necessary measures to protect our environment, both as a responsibility and an endowment to our future generations. Seeing that the forest and marine reserves are under the purview of State Governments, the Federal Government will **allocate RM60 million to State Governments marking efforts to protect and expand existing natural forest reserves and protected areas**



2021 BUDGET SPEECH

... a total of 70 million ringgit is also allocated for the purpose of Ecological Fiscal Transfer activities as an additional incentive to the State Government to ensure the sustainability of the country's biodiversity...

EFT BACKGROUNDS



Grants from the Ministry of Finance

Guidelines for the implementation

Outline scopes & mechanism of EFT

Pekeliling Perbendaharaan Malaysia

PB 3.5



KERAJAAN MALAYSIA

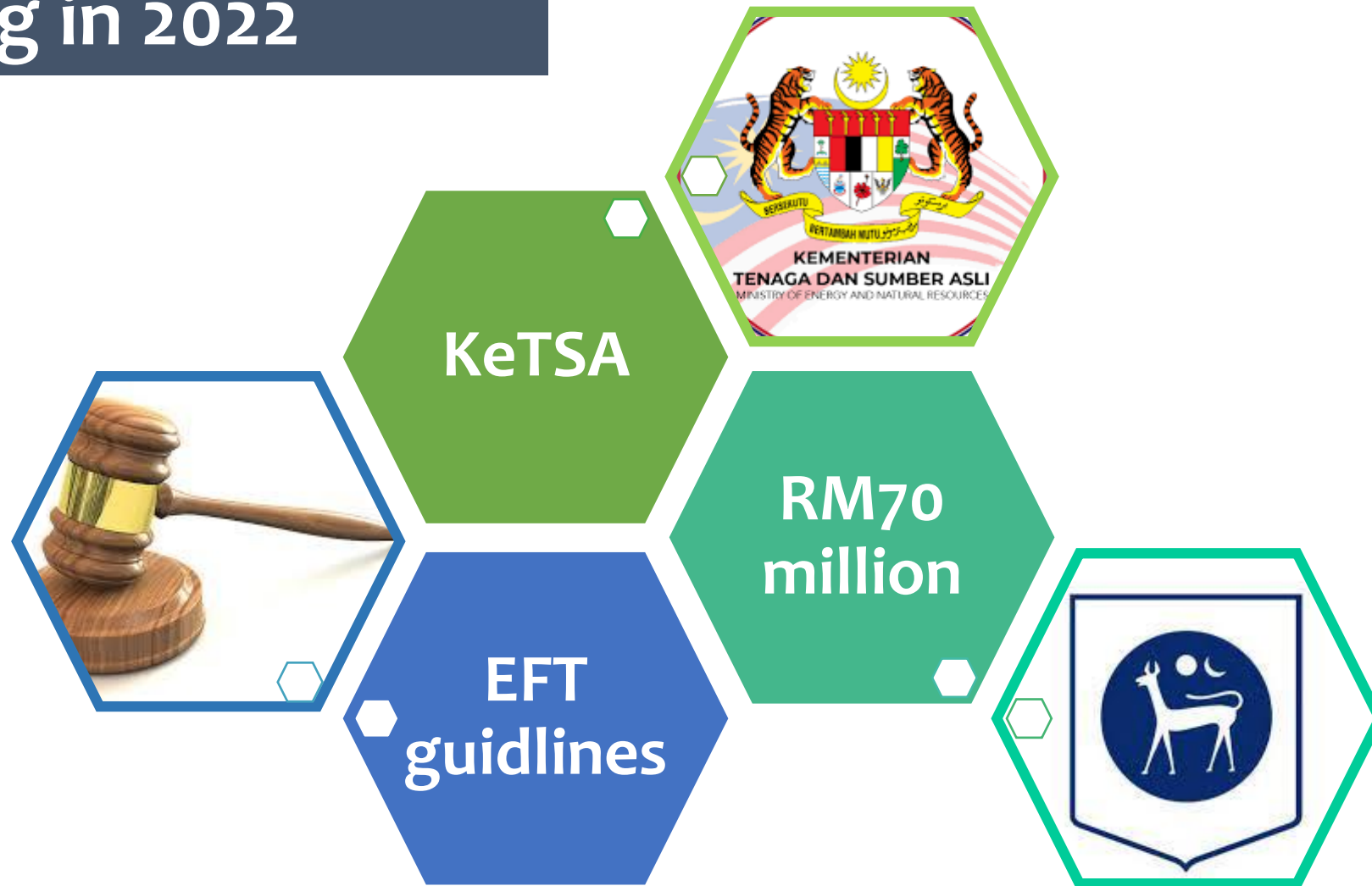
Garis Panduan Pemberian Berdasarkan Tahap Pembangunan Ekonomi, Infrastruktur Dan Kesejahteraan Hidup (Pemberian TAHAP)

PERBENDAHARAAN MALAYSIA

EFT BACKGROUNDS



Starting in 2022



EFT MECHANISM



**EARLY YEAR
DISBURSEMENT**

**TO THE STATE
FINANCIAL
OFFICES**

**TO SPEND
WITHIN
SAME YEAR**

**MONITORING &
REPORTING**

SCOPE OF EFT EXPENDITURE



SCOPE	SCOPE DETAIL
1	Conservation of existing protected areas and new areas
2	Conservation, restoration and enrichment
3	Development and management of facilities
4	Intelligence and enforcement operations
5	Community engagement and capacity building
6	Implementation of the sustainable forest management (SFM)

- ✓ Permanent Reserve Forests
- ✓ Wildlife Sanctuaries / Wildlife Conservation Centres
- ✓ Marine Park / Marine Protected Areas
- ✓ Environmentally Sensitive Areas
- ✓ International Important Areas
- ✓ Vulnerable Ecosystems



AREA OF EFT EXPENDITURE - NOT ALLOWED

- 1 Federal Government Projects
 - Federal Government Loans
 - Projects that is reimbursable by the Federal Government
 - Development project grant under the Malaysia Plan
- 2 Project under the Members of Parliament and Members of State Legislative Assembly
- 3 Land acquisition projects

EFT DISTRIBUTION CRITERIA



NO.	CRITERIA	ALLOCATION
<u>Threshold value</u>		
1	The exercise of updating existing protected area information and submission of supporting documents submitting documents related to the gazettelement of the areas	RM200,000
<u>Size of protected areas</u>		
2	Determined by the percentage of size of protected areas in the respective States	70%
<u>Performance based criteria</u>		
3	Evaluation based on the performance of EFT implementation	30%

EFT DISTRIBUTION FORMULA



CRITERIA 1

Submission of
PA Data

RM200,000

CRITERIA 2

70% of the
Total
Allocation

Using formula

CRITERIA 3

70% of the
Total
Allocation

Using formula

+

PERFORMANCE BASED EVALUATION



NO.	SCOPE	SCORE	WEIGHTAGE			Description of Activities
			TL	BS	CS	
1	Conservation of existing protected areas and addition of new areas	10%	0	50	100	Management of existing protected areas, boundary maintenance, studies, area zoning and development of instruments to improve management, and process of identifying and gazetted new protected areas
2	Conservation, restoration and enrichment	8%	0	50	100	Restoration program to maintain and enrich the area
3	Development and management of facilities	4%	0	50	100	Development, maintenance, upgrade and repair of infrastructure
4	Intelligence and enforcement operations	4%	0	50	100	Implementation of intelligence and enforcement works for the control of ecosystem resources, flora and fauna
5	Community engagement and capacity building	2%	0	50	100	Implementation of shared responsibility programs with the publics and local communities, CEPA and human resource development training
6	Implementation of the sustainable forest management (SFM)	2%	0	50	100	Promote sustainable forest management practices through MC&I and CTT certification compliance

TL – Not Implemented

BS – Below Target CS – Achieve



**ANNUAL
PLANNING**

**ANNUAL
REPORTING**

**DATA OF
PROTECTED
AREAS**

**HALF YEAR
STATUS**

**SFM
IMPLEMENTATIO
N**



THANK YOU



MINISTRY OF ENERGY AND NATURAL RESOURCES