

Climate Governance in Action: Implementing the Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023 in Sarawak, Malaysia

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Abstract

The Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023 came into force in Sarawak, Malaysia on 1 March 2024, establishing a comprehensive regulatory framework for the management of greenhouse gas emissions. The Ordinance initially applies to the oil and gas and energy sectors and provides legal provisions for the registration of Business Entities and Accredited External Auditors, submission of verified carbon emission reports, regulation of flaring and venting activities, issuance of Carbon Credit Units, and the implementation of a carbon levy mechanism.

A key feature of the Ordinance is the mandatory submission of annual carbon emission reports, which strengthens the availability and reliability of emissions data. This supports Sarawak's climate governance objectives while contributing to Malaysia's National Communication and Biennial Transparency Report obligations under the United Nations Framework Convention on Climate Change and the Paris Agreement.

To operationalise the Ordinance, Sarawak has developed subsidiary legislation governing Accredited External Auditors and Flaring and Venting activities, supported by technical guidelines, stakeholder engagement programmes and digital reporting systems. These initiatives provide the foundation for effective emissions management and regulatory oversight.

The Sarawak experience demonstrates how state-level climate regulation can complement national climate objectives while supporting emissions reduction and sustainable economic growth.

Access to relevant information

<https://lawnet.sarawak.gov.my>