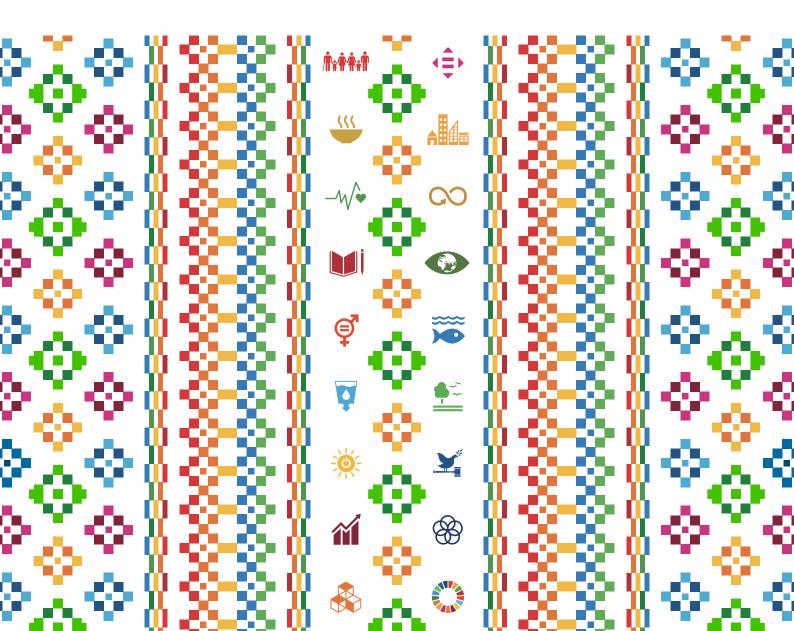


# MALAYSIA VOLUNTARY NATIONAL REVIEW 2025



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#### REPORT COVER CONCEPT

Recognised by UNESCO as an Intangible Cultural Heritage to Malaysia, *songket* is a traditionally handwoven textile, where gold and silver threads are weaved in between base threads. Traditionally worn by the affluent, *songket* is now embraced by people from all walks of life and is commonly worn during important ceremonies to celebrate Malaysia's rich cultural heritage.

This shift speaks to a more inclusive society, where symbols of tradition once reserved for the affluent are now shared and valued by the broader community. With its intricate patterns and deep-rooted symbolism, songket is chosen as the motif for Malaysia's Voluntary National Review (VNR) 2025, signifying not only the diverse yet interconnected fabric of Malaysian society, but also the deep integration of the Sustainable Development Goals (SDG) into the nation's ever-evolving development journey.



#### **FOREWORD**

We are living in an era marked by complex and interconnected challenges. These include climate change, geopolitical tensions, rapid technological transformation and persistent inequalities. It is in the face of such uncertainties that the 2030 Agenda for Sustainable Development continues to serve as a vital compass for Malaysia, showing us the way to a resilient future, one in which the ideal of having everyone reap the benefits of development equitably is realised to as full an extent as possible.

Malaysia has shown determination and adaptability in overcoming adversity. Our recovery from the COVID-19 pandemic has encouraging, with GDP growth rising from 3.3% in 2021 to 5.1% in 2024. And there is the Thirteenth Malaysia Plan (2026–2030) on the horizon. It outlines a strategic shift towards sustainable, high-value and inclusive growth that is aligned with the SDG (Sustainable Development Goals). Our projection of achieving 43% of SDG targets by 2030 is well above the global average. We can sustain the momentum if we intensify our efforts with bold and transformative actions through a whole-of-nation approach.

The Government envisions a nation fortified by sustainability, compassion, respect, innovation, prosperity and trust in moving towards a holistic development that is people-centric, environmentally responsible and rooted in dignity. This vision can be realised through inclusive planning and by strengthening community-driven solutions, improving governance and embracing the concept of innovation for all.

I am honoured to present Malaysia's Voluntary National Review report for 2025 as a testament to our unwavering commitment and our sharing of responsibility in advancing the 2030 Agenda. This VNR, the third since 2017, serves as more than a reflection of our progress and current standing. It is a strategic guide to the transformative actions needed to achieve our goals. We remain steadfast in the pursuit of a Malaysia where no one is left behind, and where future generations will inherit a nation that is stronger, greener and more resilient.



DATO' SERI ANWAR BIN IBRAHIM
PRIME MINISTER OF MALAYSIA

#### **PREFACE**

This year marks Malaysia's third submission of the Voluntary National Review, reaffirming our enduring commitment to the 2030 Agenda for Sustainable Development. Since our inaugural report in 2017, Malaysia has made consistent progress in integrating the SDG into national development planning, governance frameworks and implementation strategies across all levels.

Malaysia's national development planning has been closely aligned with the SDG since the Eleventh Malaysia Plan (2016-2020), continuing through the Twelfth Malaysia Plan (2021–2025) and its Mid-Term Review as well as further extending into the forthcoming Thirteenth Malaysia Plan (2026-2030). This alignment represents a two-pronged strategy to achieve our national priorities guided by the Malaysia MADANI policy framework while advancing the global goals. We have also enhanced our monitoring frameworks, data systems and stakeholder engagement mechanisms. In parallel, the rollout of the SDG Roadmap Phase II (2021-2025), alongside the Twelfth Plan, provides a comprehensive blueprint for achieving targeted SDG outcomes through clearly defined indicators with national targets.

Malaysia's 2025 Voluntary National Review, which addresses all 17 goals across five thematic pillars stands as our most comprehensive report to date. It captures the diverse voices and contributions of stakeholders including Parliament, state and local governments, civil society organisations, youth groups, academia and the private sector. The report underscores the importance of process, guided through a whole-of-nation approach that prioritises inclusive and participatory engagement. Nationwide consultations, including input via a public portal, have not only enriched the report's substance but also strengthened multistakeholder affirming that the iourney collaboration is as vital as the outcomes achieved.

The upcoming Thirteenth Malaysia Plan marks the final chapter in the nation's development journey towards 2030 and will remain closely aligned with

the SDG. Intensified local action, guided by data-driven decision-making, will continue to serve cornerstone of Malaysia's SDG implementation strategy. Strengthening the integration and coordination between federal, state and local actors across both governmental and non-governmental sectors is essential to ensure that the benefits of sustainable development reach all segments of society, particularly those in underserved areas.

This report would not have been possible without the steadfast commitment and visionary leadership of YAB the Prime Minister, along with the unwavering support of my Cabinet colleagues. I extend my sincere appreciation to the Ministry of Economy, Pusat SDG Negara, the Lead Ministries for the SDG, United Nations agencies, and all our partners across the government sector, the private sector, civil society organisations, youth groups, academia, local communities and members of the public who contributed meaningfully to this effort. Their dedication, collaboration and shared commitment have been instrumental in shaping this report and advancing Malaysia's sustainable development journey.



DATO' SERI RAFIZI RAMLI MINISTER OF ECONOMY

#### INTRODUCTORY REMARKS

I am pleased to introduce Malaysia's Voluntary National Review in 2025, a product of collective effort and collaboration among a wide range of stakeholders. The development of this report has deepened our appreciation of ongoing initiatives, highlighted key challenges and distilled valuable lessons to help us accelerate progress in the final stretch toward 2030. The structured and inclusive engagement process not only strengthened our national SDG governance but also fostered new networks among SDG actors, including meaningful exchanges with counterparts from other countries.

At the outset of planning this report, we made a conscious and strategic decision to produce a comprehensive Voluntary National Review that covers all 17 goals through a thematic approach. The resolution was underpinned by Malaysia's strengthened SDG governance and the active participation of lead ministries. It was further supported by inspiring grassroots success stories from civil society organisations, steadfast commitments from the private sector, empowered

voices from youth, insightful contributions from academia and the increasing availability of disaggregated data that enriched the narrative of this report. As a diverse and multi-ethnic nation, I firmly believe this report reflects the collective voice and aspirations of all Malaysians.

The final chapter of this report which outlines the way forward, serves as a strategic guide for Malaysia, and particularly the key stakeholders within the national SDG governance structure. It provides direction to accelerate our collective efforts over the next five years. We remain committed to intensifying our actions through a whole-of-nation approach, ensuring that no one is left behind as we broaden the reach of the SDG across all segments of society. I extend my heartfelt appreciation to all stakeholders who have contributed to the development of this report. May this shared journey continue to inspire us in elevating Malaysia toward a more inclusive, resilient and sustainable future.



DATO HAJJAH HANIFAH HAJAR TAIB

DEPUTY MINISTER OF ECONOMY

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## - SNAPSHOT OF **MALAYSIA'S KEY INDICATORS**







GDP Year-on-Year Growth (2024, Preliminary at Constant 2015 Prices) RM 1,932,291 (USD MILLION; USD422,753)

**GDP** at Current Prices (RM million, 2024, Preliminary)



RM1,650,305 (USD MILLION; USD361,214)



GNI per capita (2024, Preliminary)











Life Expectancy at Birth 2024 (estimates)

Source: DOSM, Pocket Stats, Q1 2025

Note: For Population figure, these statistics were revised based on the Population and Housing Census of Malaysia 2020 and M=million; USD 1 = MYR 4.57 (2024 average).

#### **KEY MESSAGES**

Malaysia's 2025 Voluntary National Review underscores the nation's unwavering commitment to the 2030 Agenda for Sustainable Development with an estimated 43% of the targets on track by 2030—a performance that exceeds the global average of 17%. This reflects the country's enduring dedication to inclusive, equitable and sustainable development, even in the face of evolving global and domestic challenges.

Malaysia's alignment of its national development agenda with the SDGs has been deliberate and strategic. Since the Eleventh Malaysia Plan (2016–2020) and continuing under the Twelfth Malaysia Plan (2021–2025), the SDGs have been systematically integrated into national planning. Through the establishment of institutional frameworks, comprehensive SDG roadmaps and governance mechanisms, Malaysia has laid a strong foundation for effective implementation, monitoring and accountability.

Under the 'People' pillar, Malaysia demonstrated measurable progress in improving the quality of life. The absolute poverty rate declined from 8.4% (estimated) in 2020 to 6.2% in 2022, driven by inclusive and targeted policy interventions. Maternal mortality saw a substantial drop from 68.2 per 100,000 live births in 2021 to 25.7 in 2023, signalling ongoing enhancements in healthcare services. Notably, gender parity in education has been largely achieved with equal access to primary and secondary education, reaffirming Malaysia's commitment to universal Despite education. these successes, the Government remains vigilant in addressing regional and social disparities.

In the realm of 'Prosperity', the national economy continues to show resilience as GDP growth accelerated from 3.3% in 2021 to 5.1% in 2024, supported by a forward-looking development strategy that emphasises digitalisation, high-value industries and green technology. unemployment rate has dropped to 3.1%, the lowest in a decade, underscoring the success of policies employment-generating and labour market reforms. Concurrently, bold fiscal reforms including subsidy rationalisation have been

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introduced to reinforce economic resilience and long-term sustainability.

Under the 'Planet' pillar, Malaysia reaffirms its strong environmental commitments. The country aims to reduce greenhouse gas (GHG) emissions intensity by 45% by 2030 and is on a credible pathway towards net-zero emissions by 2050. Decarbonisation efforts particularly in the industrial sector are accelerating, supported by enabling policies and incentives. Moreover, Malaysia has achieved significant milestones in biodiversity protection and pollution control including measurable improvements in river water quality. Forest cover remains high at 54.3% of the total land area, well above the global pledge of 50%—a result further bolstered by the national tree-planting campaign, which met its target of planting 100 million trees ahead of schedule.

On the 'Peace and Partnership' front, governance reforms translated into have concrete improvements. Malaysia's Corruption Perception Index ranking improved from 62nd in 2021 to 57th in 2024, while its standing in the U.S. Trafficking in Persons (TIP) report advanced from Tier 3 to Tier 2 over the same period, reflecting serious efforts in institutional reform and justice. As a member of the United Nations Human Rights Council (2022–2024), Malaysia has taken proactive positions on global human rights issues and continues to play a constructive role in multilateral dialogues. Looking ahead, as Chair of ASEAN in 2025, Malaysia will prioritise regional sustainability, inclusivity and resilience.

Malaysia's dedication to achieving the SDG remains firm. Through greater policy coherence, stakeholder engagement and a whole-of-nation approach, the government is committed to ensuring that no one is left behind, especially as it accelerates efforts towards more equitable access to healthcare, closing gender gaps, promoting inclusive subnational growth, enhancing marine sustainability and stronger fostering multi-stakeholder partnerships. With strong institutional foundations, progressive policies and an inclusive ethos, Malaysia stands poised to deliver on the 2030 Agenda.

MALAYSIA'S APPROACH TO THE



Since independence in 1957, Malaysia has transformed from a primarily agricultural and commodity-based structure to a more diversified manufacturing and services-driven economy. This transition has elevated the nation to an upper-middle-income country with improved living standards, education, healthcare and social well-being. Following the 2015 adoption of the 2030 Agenda for Sustainable Development, Malaysia has consistently integrated the Sustainable Development Goals (SDG) into national and sub-national policies, in line with its economic and social development priorities.

Malaysia's 2025 Voluntary National Review (VNR) presents an in-depth update of the country's progress towards achieving all 17 SDGs, structured under five thematic pillars, namely People, Prosperity, Planet, Peace and Partnership. The report summarises SDG progress, highlights future challenges and opportunities for achieving the SDG by 2030, and aims for clarity, coherence and alignment with national priorities and the global SDG agenda through a comprehensive, data-driven and forward-looking approach.

#### FROM VNR 2021 TO VNR 2025

Malaysia has progressed towards inclusive and sustainable growth particularly in poverty reduction, renewable energy adoption and digital transformation. However, development challenges including malnutrition, rising non-communicable diseases, healthcare system pressures, widening inequality, lagging climate resilience and inadequate governance, have persisted. This was further exacerbated by the COVID-19 pandemic.

Malaysia's second VNR in 2021 focused on nine goals: SDG 1, SDG 2, SDG 3, SDG 8, SDG 10, SDG 12, SDG 13, SDG 16 and SDG 17; capturing Malaysia's progress in alignment with the Eleventh Malaysia Plan (11MP). VNR 2021 highlighted advancements in poverty and infant mortality rate reduction, labour productivity and real Gross Domestic Product (GDP) growth. Malaysia has also progressively integrated climate change into policymaking and development planning.

In the Twelfth Malaysia Plan (12MP), all 17 goals were mapped against the Plan's themes (Table 1.1), ensuring that national development priorities are aligned with global commitments under the 2030 Agenda. This mapping of SDGs strengthens policy coherence and enables a more integrated, whole-of-nation approach to implementation. It also facilitates an enhanced coordination across sectors and stakeholders, ensuring that progress is in line with Malaysia's broader development trajectory.

Table 1.1: Mapping SDGs Against Key Themes of the Twelfth Malaysia Plan

| Key themes of the Twelfth Malaysia<br>Plan         | SDG                                                                                                   |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Resetting the economy                              | SDG 2, SDG 3, SDG 7, SDG 8, SDG 9, SDG 11, SDG 12, SDG 14, SDG 17                                     |
| Strengthening security, well-being and inclusivity | SDG 1, SDG 2, SDG 3, SDG 4, SDG 5, SDG 6, SDG 7, SDG 8, SDG 9, SDG 10, SDG 11, SDG 15, SDG 16, SDG 17 |
| Advancing sustainability                           | SDG 2, SDG 6, SDG 7, SDG 11, SDG 12, SDG 13, SDG 14, SDG 15                                           |

The Mid-Term Review of the 12MP (MTR 12MP), introduced in 2023, reaffirms Malaysia's commitment to the 2030 Agenda. Such efforts include intensifying SDG implementation at the local level. By reinforcing alignment, the review ensures that policy adjustments remain responsive to emerging challenges.

This review highlights key accomplishments, addresses emerging challenges and defines strategic priorities. It comprises revised policies and strategies, including improving the efficiency of public service delivery to achieve the goals under the *Ekonomi MADANI* framework. It aims to elevate the honour and dignity of the nation and build Malaysia into an advanced and prosperous nation, based on the theme "Sustainable, Prosperous, High-Income Nation."

#### MALAYSIA'S APPROACH TO THE SDG

Malaysia's SDG implementation follows a structured three-phase approach. Phase One (2016–2020) focused on laying the groundwork by aligning the 17 SDGs with the 11MP. This phase emphasised strategic areas, such as inclusivity, well-being, green growth and human capital development. It included mapping national policies to SDG targets, establishing a governance structure and assessing data readiness.

Phase Two (2021–2025) shifts towards monitoring and evaluation (M&E) by setting national SDG indicator targets and introducing nine key accelerator initiatives. Pusat SDG Negara (National SDG Centre – PSN) was also established to coordinate efforts and enhance inter-ministerial collaboration.

Phase Three (2026–2030) will emphasise accelerating progress and driving transformative actions to ensure full achievement of the SDG by 2030, in alignment with the Thirteenth Malaysia Plan (13MP). It is expected to scale up successful initiatives, encourage innovation and embed sustainability through a whole-of-nation approach. This three-phased approach reflects Malaysia's commitment to systematic, inclusive and impactful action towards achieving the 2030 Agenda for Sustainable Development.



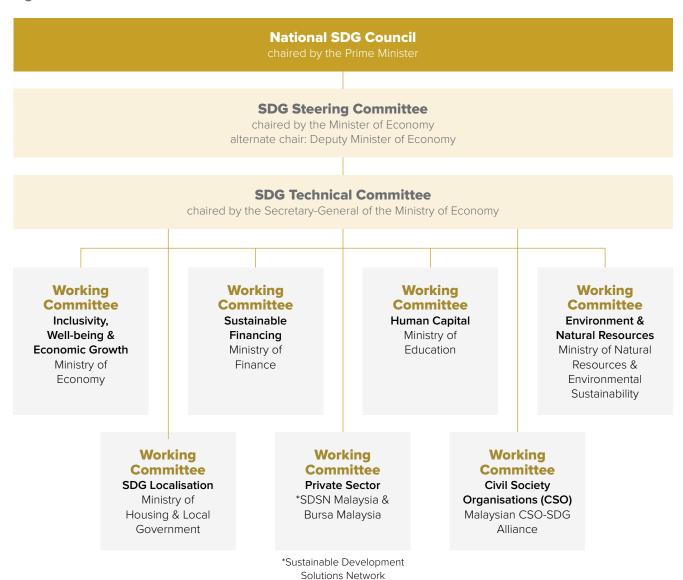
#### **GOVERNANCE**

The National SDG Council, led by the Prime Minister, is the primary decision-making body for Malaysia's national SDG governance. It is responsible for establishing direction and setting related national agenda and milestones. Supporting the Council is the SDG Steering Committee, chaired by the Minister of Economy (alternatively by the Deputy Minister of Economy). This Committee oversees the progress of SDG implementation at the local level and reports progress to the National SDG Council.

The Technical Committee, chaired by the Secretary-General of the Ministry of Economy, formulates Malaysia's SDG Roadmap and monitors progress towards national SDG targets. It oversees seven Working Committees, comprising government ministries and agencies, United Nations (UN) agencies, private sector, civil society organisations (CSOs), academia and international organisations to develop and implement SDG-related programmes.

The structure of the national SDG governance is depicted in Figure 1.1, and the respective SDG focus of each Working Committee is shown in Table 1.2.

Figure 1.1: National SDG Governance Structure



\*\*\*\*\*

Table 1.2: SDGs Prioritised by Each Working Committee

| Working Committee                                                                                             | SDG                                  |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Inclusivity, Well-being & Economic Growth (Chaired by the Ministry of Economy)                                | SDG 1, 2, 3, 5, 8, 9, 10, 16<br>& 17 |
| Sustainable Financing (Chaired by the Ministry of Finance)                                                    | SDG 1-17                             |
| Human Capital (Chaired by the Ministry of Education)                                                          | SDG 4                                |
| Environment & Natural Resources (Chaired by the Ministry of Natural Resources & Environmental Sustainability) | SDG 6, 7, 12, 13, 14, 15             |
| Private Sector (Chaired by SDSN Malaysia & Bursa Malaysia)                                                    | SDG 1-17                             |
| Civil Society Organisations (CSOs) (Chaired by Malaysian CSO-SDG Alliance)                                    | SDG 1-17                             |

The SDG governance structure is also supported by the appointment of a Lead Ministry for each goal, as in Figure 1.2. The SDG Lead Ministries are responsible for planning, implementing and coordinating multi-stakeholder initiatives, including monitoring and reporting targets and indicators by working closely with Department of Statistics Malaysia (DOSM).

DOSM was appointed as the National Focal Point to collect, interpret and disseminate SDG data. DOSM's cooperation with ministries and agencies has significantly increased the number of available indicators for the SDG.



Figure 1.2 Lead Ministries and Their Corresponding SDG



In September 2022, the Government established PSN, under the Ministry of Economy with the following key functions:

- Coordinating, strengthening and monitoring SDG as well as Environmental, Social and Governance (ESG) initiatives, aligning SDG Roadmap Phases Two and Three with the 12MP and 13MP respectively.
- Facilitating strategic cooperation among stakeholders to advance SDG implementation.
- Acting as secretariat for the National SDG Council, SDG Steering Committee and SDG Technical Committee; providing reports and insights on Malaysia's SDG progress, including VNR contributions.

#### **Roadmaps**

Malaysia's SDG implementation strategy includes the development of a roadmap that aligns with the three-phase approach of SDG implementation. Based on a multi-stakeholder approach, the roadmap coordinates national and sub-national efforts and fosters national commitment to the SDG, aligning national priorities with the 2030 Agenda.

#### SDG Roadmap Phase One: Laying the Foundation

Phase One outlined an SDG implementation strategy by clustering SDG into key thematic areas:

- Inclusivity
- Well-being
- Human capital
- Environment and natural resources
- Economic growth

#### SDG Roadmap Phase Two: Strengthening Monitoring and Localisation

Phase Two enhances SDG monitoring and localisation by aligning national SDG targets with Malaysia's medium-term development plan (12MP). Phase Two sets contextualised national targets and outlines implementation, localisation and evaluation frameworks. Key priorities were:

- Strengthening SDG localisation
- Establishing an effective M&E framework
- Developing an impact evaluation structure

#### SDG Roadmap Phase Three: Accelerating Progress (2026-2030)

Phase Three, starting in 2026 and aligning with Malaysia's 13MP, will:

- · Outline bold, transformative and ambitious initiatives that will accelerate implementation
- Address remaining gaps
- Ensure Malaysia progresses in meeting SDG targets by 2030



#### **Monitoring of SDG Indicators**

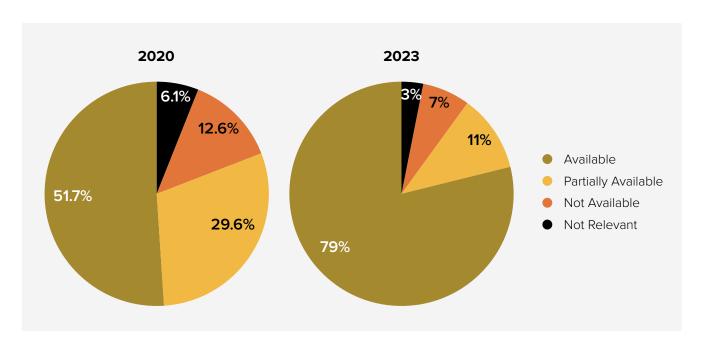
Since the 2021 VNR, DOSM has published three SDG Indicators Report updates (2021, 2022 and 2023). Indicator availability increased from 128 in VNR 2021 to 196 as reported in the latest DOSM report, SDG Indicators Malaysia 2023. In 2023, DOSM published its first state-level SDG Indicator Reports for all 13 states and three Federal Territories. State and district-level indicators enable state governments and local authorities to develop targeted SDG implementation strategies and action plans, as well as to better monitor progress.

Malaysia has improved SDG data availability, increasing from 52% in 2021 to 79% in 2023 (or 81% for data relevant for Malaysia). Out of 248 SDG indicators, in 2023:



This progress reflects Malaysia's commitment to strengthening data-driven decision-making and ensuring a more comprehensive monitoring of SDG implementation at both the national and sub-national levels. A visual depiction of this progress can be seen in Figure 1.3.

Figure 1.3: Availability of SDG Indicators, 2020 versus 2023



Source: VNR 2021, p.p. 15 (left), DOSM SDG Indicators Malaysia 2023 (right)

#### **SDG** Localisation

Recognising the importance of SDG localisation, Malaysia organised five regional summits between August 2023 and May 2024 to broaden SDG awareness and encourage nationwide participation. In September 2024, PSN organised the national SDG Summit, providing a platform for stakeholders to share insights and showcase SDG initiatives towards realising the 2030 Agenda. The theme "Local Actions for an Inclusive, Sustainable and Resilient Future" reflected Malaysia's commitment to translating global SDG ambitions into local actions. The summit led to enhanced coordination and better-targeted programmes in addressing challenges while reaffirming the country's focus on economic resilience, social inclusion and long-term sustainability.

The Voluntary Local Reviews (VLR), which serves as an essential tool for assessing and advancing the progress of SDG at the sub-national level, is undertaken by Urbanice.¹ VLR evaluates local initiatives, policies and strategies in alignment with the 2030 Agenda. It monitors progress across all the SDG indicators, including the review of current development plans, governance, programmes and initiatives at the local level. The VLR collects and analyses data on urban development, social inclusion, environmental sustainability and economic growth. It enhances the development of action plans for a more effective implementation of SDG at the local level. As of 2024, a total of 15 VLRs had been published and officially submitted to the United Nations Department of Economic and Social Affairs (UN DESA). An additional 29 VLRs are anticipated to be published by the end of 2025, reflecting the growing commitment of the sub-national governments to the 2030 Agenda.

















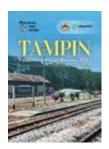














#### Chapter One: Malaysia's Approach to the 2030 Agenda

The All-Party Parliamentary Group Malaysia on Sustainable Development Goals (APPGM-SDG) is a bipartisan initiative established in 2019 to localise and advance the implementation of the SDG. Collaborating with 143 parliamentary constituencies, APPGM-SDG has executed over 1,000 community-driven micro-solution projects addressing economic, social and environmental challenges. These projects encompass initiatives such as community farming, educational programmes, income-generating activities and environmental conservation efforts. By engaging local communities, CSOs and various stakeholders, APPGM-SDG ensures that development efforts are inclusive and tailored to the unique needs of each constituency. This approach not only empowers vulnerable groups but also fosters sustainable development through participatory governance and localised solutions.

The Malaysia-UN SDG Trust Fund was launched in 2023 to strengthen SDG financing and address funding gaps, specifically for groups and areas that are at risk of being left behind. Yayasan MySDG was established by the Ministry of Finance (MOF) as a foundation to administer the fund and mobilise resources for operationalising SDG activities, including innovative non-governmental projects led by CSOs and UN agencies. In the Call for Proposals in 2023, Yayasan MySDG awarded USD3.4 million for 14 projects, benefiting 17,500 people including indigenous people, low-income communities, vulnerable women and girls, refugees, stateless individuals and persons with disabilities (PWD). In 2024, 18 projects were identified with a total funding of USD4.2 million, potentially benefiting over 31,000 people.



#### POLICY AND ENABLING FRAMEWORK:

## MALAYSIA'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

#### SDG and the MADANI Philosophy

In 2023, Malaysia's 10th Prime Minister, YAB Datuk Seri Anwar Ibrahim, introduced the *MADANI* policy framework as a guiding principle based on:



Sustainability



Properous









pta hormAt Ko on Respect

**keyakiNan** *Trust*Care and compassion

Under the *MADANI* policy framework, the *Ekonomi MADANI* was introduced to tackle economic challenges, enhance social protection and promote sustainable development. Key focus areas include restructuring the economy to boost global competitiveness, expanding job opportunities and raising wages through policy reforms, and strengthening social protection systems to reduce income disparities. It also emphasises improving access to quality of education and healthcare, integrating environmental sustainability into economic planning through low-carbon initiatives and climate resilience, and advancing governance reforms to ensure institutional accountability, address procurement inefficiencies and improve Malaysia's standing in global transparency indices.

Seven key performance indicators (KPIs) set under the *Ekonomi MADANI* framework complement Malaysia's SDG journey, reinforcing its commitment to sustainability, equity and shared prosperity, aligning with the 2030 Agenda (Table 1.3). These KPIs underscore Malaysia's commitment to advancing economic growth, while ensuring social well-being and environmental sustainability.

Table 1.3: Alignment of the Ekonomi MADANI Framework with the SDG

| MADANI Economy Framework Key Performance Indicators                                  | Related SDG         |
|--------------------------------------------------------------------------------------|---------------------|
| Malaysia among the top 30 largest economies in the world                             | SDG 8               |
| Malaysia among the top 12 countries in the world in the Global Competitiveness Index | SDG 8               |
| Share of labour income to 45 per cent of total income                                | SDG 10              |
| Female labour force participation rate to 60 per cent                                | SDG 5, SDG 8        |
| Malaysia among the top 25 countries in the world in the Human Development Index      | SDG 3, SDG 4, SDG 8 |
| Malaysia among the top 25 countries in the world in the Corruption Perceptions Index | SDG 16              |
| To ensure fiscal sustainability with a fiscal deficit of three per cent or lower     | SDG 16, SDG 17      |

# Aligning the SDG to the Malaysia Plans

Malaysia's national development planning has progressively integrated the SDG through the successive Malaysia Plans. The 11MP (2016–2020) laid the foundation by aligning national priorities with the 2030 Agenda, while the 12MP (2021–2025) deepened this alignment across all 17 SDGs, emphasising localisation and inclusive growth. The MTR 12MP reaffirmed this direction by embedding the *Ekonomi MADANI* framework which reinforces development priorities such as sustainability, prosperity and high-income growth for the nation. Looking ahead, the 13MP (2026–2030) will continue this trajectory ensuring that SDG principles remain central to Malaysia's long-term development strategy.

#### **SDG Financing**

Various innovative SDG financing mechanisms have been established, providing a landscape to support Malaysia's SDG strategies and address financing gaps. The government launched the SDG budget tagging exercise in 2021 to integrate and align the goals into fiscal planning. This three-year initiative, led by MOF and United Nations Development Programme (UNDP) with inputs and engagements from the UN Country Team in Malaysia,<sup>2</sup> indicates that most expenditures were channelled towards achieving SDG 3, SDG 4, SDG 8, SDG 9, SDG 10, SDG 11 and SDG 16.

Measures to enhance the financing of SDG were also identified at the national, sub-national, sectoral and industry levels. The SDG Sukuk Framework 2021 provides guidelines for the government to fund projects related to delivering environmental and social benefits that align with the SDG.<sup>3</sup> Collectively, Social Sukuk, Green Sukuk and Sustainability Sukuk are referred to as 'SDG Sukuk' and were valued at USD1.3 billion in 2021.

The SDG Sukuk will be aligned to:

- Social Bond Principles (SBP)
- Green Bond Principles (GBP)
- Sustainability Bond Guidelines (SBG) of the

~~~~~~~~

- International Capital Markets Association (ICMA)
- Social Bond Standards (SBS)
- Green Bond Standards (GBS)
- Sustainability Bond Standards (SuBS) of the ASEAN Capital Markets Forum (ACMF) or as they may subsequently be updated.

Expansion of SDG funding across various projects is evident through the establishment of the Malaysia-UN SDG Trust Fund in 2023. The fund is in partnership between the Government and the United Nations in Malaysia.

#### **Sectoral Policies**

Malaysia has developed a robust sectoral policy landscape that reflects the nation's commitment to sustainable development, aligning national priorities with the SDG. Since the 2021 VNR, a range of sectoral policies have been introduced or strengthened to address structural challenges, promote green and digital transformation and enhance socio-economic well-being through human capital development, rural advancement and innovation.

There are several prominent strategies that guide Malaysia's energy and environmental protection transition. These strategies include the National Energy Transition Roadmap (NETR) and the National Energy Policy 2022–2040 (DTN), which contribute to SDG 7, SDG 8, SDG 9, SDG 12 and SDG 13 whereas the National Policy on Biological Diversity 2022–2030 (NPBD) and the National Climate Change Policy 2.0 (NCCP 2.0) focus on conservation, the sustainable use of natural resources and climate resilience, contributing to SDG 13, SDG 14 and SDG 15.

In advancing rural development, the National Rural Physical Policy 2030 (NRPP) and the Strategic Plan for Rural Development 2021–2025 focus on improving rural infrastructure, fostering economic access through digitalisation and human capital enhancement, aligned with SDG 2, SDG 3, SDG 4 and SDG 10.

In enhancing socioeconomic wellbeing, the National TVET Policy 2030 adopts a holistic

approach to governance, curriculum development and career pathways in technical and vocational skills, contributing to SDG 4 and SDG 8. Meanwhile, the National Reproductive Health and Social Education Policy 2022–2025 (PEKERTI) provides a comprehensive outlook on social and health education, supporting SDG 3, SDG 4 and SDG 5. In advancing women's development further, the National Women's Policy 2025 – 2030 (DWN) provides a nuance to women's empowerment in Malaysia supporting SDG 5, SDG 8, SDG 11, SDG 13, SDG 16.

Recognising the importance of expanding trade and export opportunities, the National Industrial Master Plan 2030 (NIMP) supports SDG 8, SDG 11 and SDG 17 by encouraging collaboration among government, industry and international partners. The Halal Industry Master Plan 2030 (HIMP) aims to strengthen Malaysia's position as a global halal hub, aligning with SDG 8, SDG 9 and SDG 12.

Furthering digitalisation efforts, the Malaysia Digital Economy Blueprint and the National Fourth Industrial Revolution Policy set pathways towards a digitally empowered, spatially balanced and sustainable future under SDG 9, while also contributing to multiple other SDGs, including strengthening governance and transparency under SDG 16.

Governance reforms continue with the National Anti-Corruption Strategy 2024–2028 (NACS) and the National Action Plan on Business and Human Rights (NAPBHR), which aim to foster institutional integrity and promote corporate adoption of rights, addressing SDG 16. Public-Private Partnership Master Plan 2030 (PIKAS) seeks to enhance public-private partnerships (PPP) drive sustainable to development, aligned with SDG 17.

Overall, these sectoral policies are comprehensive and cross-cutting in nature, addressing multiple SDGs to achieve an integrated, inclusive and sustainable development trajectory, as provided in Table 1.4.

Table 1.4: Overview of Selected Sectoral Policies Supporting Malaysia's SDG Implementation

| Policy Name  | Key SDG Linkages |
|--|------------------|
| Child Health Framework 2021–2030                                     | SDG 3            |
| Circular Economy Blueprint for Solid Waste in Malaysia 2025–2035     | SDG 12           |
| Green Investment Strategy (GIS)                                      | SDG 9, 13, 17    |
| Halal Industry Master Plan 2021–2030                                 | SDG 8, 9, 12     |
| Legal Aid Department's Strategic Plan 2024–2028                      | SDG 16           |
| Low Carbon Mobility Blueprint 2021–2030 (LCMB)                       | SDG 11, 13       |
| Malaysia Digital Economy Blueprint                                   | SDG 9, 16        |
| Malaysia Plastic Sustainability Roadmap 2021–2030                    | SDG 12, 13       |
| Malaysia Renewable Energy Roadmap (MyRER)                            | SDG 7, 13        |
| Malaysia Semiconductor Blueprint 2024                                | SDG 8, 9         |
| Malaysia Smart City Framework  | SDG 11, 9        |
| Malaysian Action Plan on Preventing and Countering Violent Extremism | SDG 4, 5, 16     |
| Malaysian Sustainable Palm Oil (MSPO) 2.0                            | SDG 12, 15       |
| National 4IR Policy  | SDG 9, 16        |
| National Action Plan for the Advancement of Women (NAPAW)            | SDG 5            |

| Policy Name  | Key SDG Linkages             |
|--|------------------------------|
| National Action Plan on Business and Human Rights (NAPBHR) (upcoming)                        | SDG 16, 17                   |
| National Adaptation Plan (upcoming)  | SDG 13                       |
| National Agri-commodity Policy 2021–2030   | SDG 2, 8, 12                 |
| National Agro-Food Policy 2021–2030 (DAN 2.0)  | SDG 2, 12                    |
| National Anti-Corruption Plan 2019–2023 (NACP)   | SDG 16                       |
| National Anti-Corruption Strategy 2024–2028 (NACS)   | SDG 16                       |
| National Carbon Market Policy (DPKK) (upcoming)  | SDG 13                       |
| National Climate Change Act (upcoming)   | SDG 13, 16                   |
| National Climate Change Policy 2.0   | SDG 13                       |
| National Disaster Management Agency (NADMA) Directive No. 1                                  | SDG 13, 16                   |
| National Disaster Risk Reduction Policy 2030   | SDG 11, 13                   |
| National Energy Policy 2022–2040   | SDG 7, 8, 13                 |
| National Industrial Master Plan (NIMP) 2030  | SDG 8, 11, 17                |
| National Low Carbon Cities Masterplan  | SDG 11, 13                   |
| National Plan of Action for Nutrition of Malaysia III (NPANM III)                            | SDG 2, 3                     |
| National Policy on Biological Diversity 2022–2030  | SDG 14, 15                   |
| National Reproductive Health and Social Education Policy 2022–2025 (PEKERTI)                 | SDG 3, 4, 5                  |
| National Rural Physical Policy 2030 (NRPP)   | SDG 2, 3, 4, 10              |
| National SCP Blueprint   | SDG 12                       |
| National Security Policy   | SDG 3, 6, 10, 11, 12, 13, 16 |
| National Strategic Plan to Combat the Double Burden of Malnutrition Among Children 2022–2030 | SDG 2, 3                     |
| National Trade Blueprint 2021–2025 (NTBp)  | SDG 8, 9, 17                 |
| National TVET Policy 2030  | SDG 4, 8                     |
| National Urbanisation Policy   | SDG 11                       |
| National Women's Policy  | SDG 5, 8, 11, 13, 16         |
| NDC Roadmap and Action Plan  | SDG 13                       |
| Public Safety and Security Policy  | SDG 5, 11, 16                |
| Public-Private-Partnership Master Plan 2030 (PIKAS)  | SDG 17                       |
| Strategic Plan for Rural Development 2021–2025   | SDG 2, 8, 10                 |
| SUHAKAM Strategic Plan 2021–2025   | SDG 16                       |
| Third National Mineral Policy  | SDG 12, 15                   |
| Water Sector Transformation 2040   | SDG 6                        |

## MALAYSIA'S APPROACH TO VNR 2025

#### **Methodology and Data Sources**

PSN, under the Ministry of Economy led Malaysia's 2025 VNR preparation, leveraging a multi-stakeholder approach for an inclusive and participatory review of Malaysia's SDG progress. Stakeholder engagements and regional workshops gathered insights on national and sub-national SDG progress, including targeted consultations with CSOs representing youth, women, persons with disabilities (PWD) and other key stakeholders. Eight consultation sessions were undertaken over 12 weeks, covering six locations (Kuala Lumpur, Johor, Penang, Sabah, Kuantan and Sarawak) and involving close to 550 individuals. An online VNR portal was also launched to gather public input, reinforcing the commitment to a whole-of-nation approach. An engagement was also held with the Secretary-General's Special Rapporteur on Violence Against Children related to child protection and wellbeing. Latest data from DOSM and other agencies were used during this review.

#### **Key Achievements Across the SDG Pillars**

Malaysia has made significant strides in advancing the SDG through strategic planning, policy integration and collaborative efforts with all stakeholders. Currently, 43% of Malaysia's SDG targets (Figure 1.4) are expected to be achieved by 2030, compared to 17% globally. Improvements in maternal healthcare reflect sustained progress in well-being. Economic resilience is evident through robust economic growth, while disaster preparedness has improved. A decrease in violent offences underscores a commitment to security while digital connectivity has expanded. These advancements demonstrate Malaysia's dedication to sustainable growth, social stability and technological progress. The following are key achievements across the thematic pillars in this VNR:

#### People (SDG 3)

 Maternal mortality ratio improved from 68.2 per 100,000 live births in 2021 to 25.7 per 100,000 live births in 2023.

#### Prosperity (SDG 8)

Unemployment decreased from 4.8% (February 2021) to 3.0% (April 2025).

#### Planet (SDG 13)

Disaster-related deaths dropped from 48 (2019) to nine (2023).

#### Peace (SDG 16)

Malaysia's Corruption Perceptions Index ranking remains unchanged at 57th in 2023 and 2024.

#### Partnerships (SDG 17)

Internet accessibility increased from 84.2% (2019) to 97.7% (2023), expanding digital connectivity.

Figure 1.4: Malaysia's SDG Performance versus Global Performance

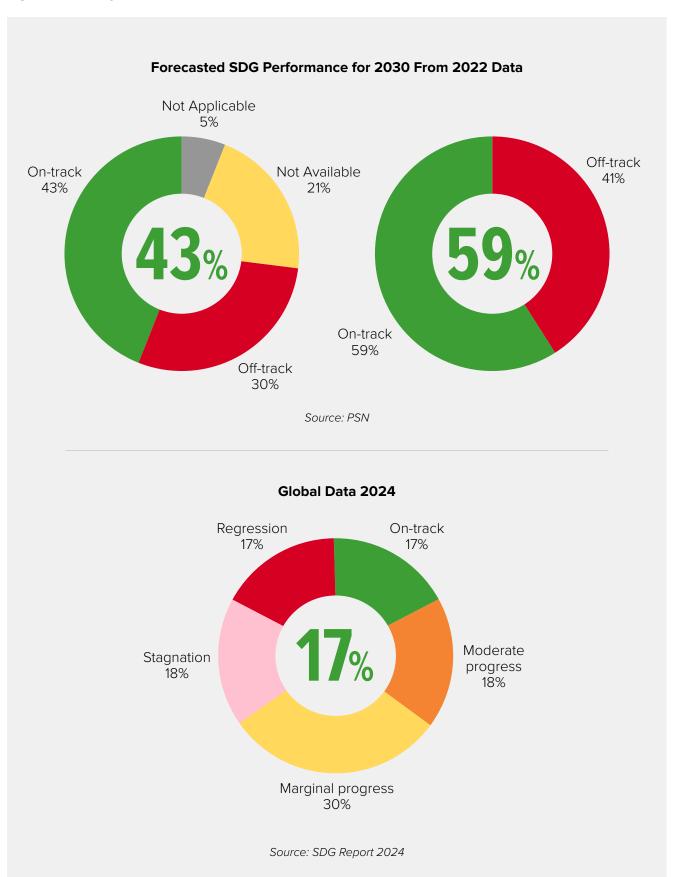
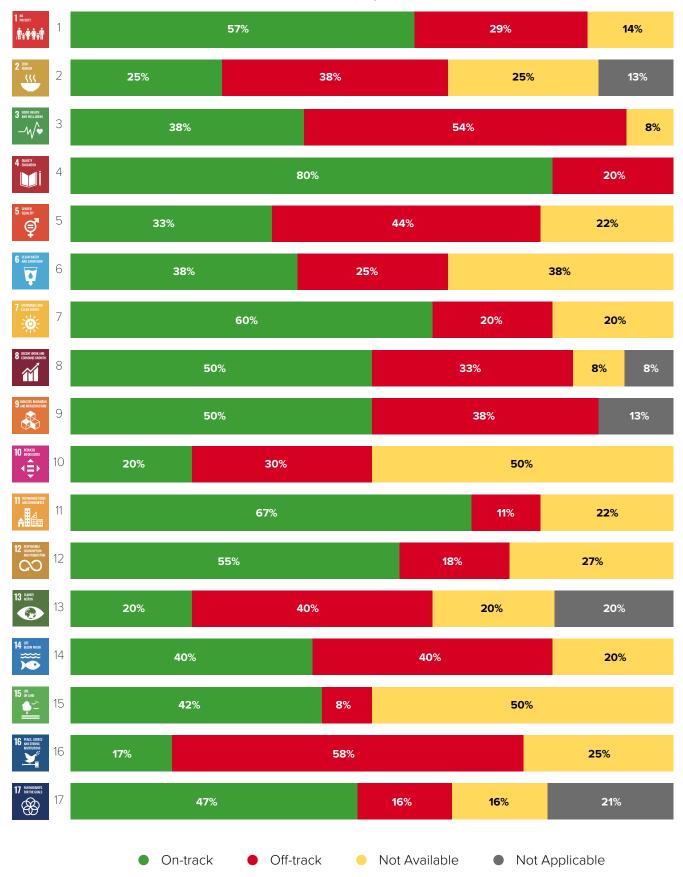


Figure 1.5: Malaysia's SDG Achievements as of 2022

#### Forecasted SDG Performance (Targets) From 2022 Data



Source: PSN

#### **Overview of SDG Target Progress**



#### **GOAL 1 | NO POVERTY**



- International poverty
- National poverty 1.2
- 1.3 Social protection
- Access to basic services
- 1.5 Resilience to disasters
- 1.a Resources for poverty programmes
- 1.b Poverty eradication policies



#### **GOAL 2 | ZERO HUNGER**



- 2.1 Undernourishment and food security
- 2.2 Malnutrition
- 2.3 Small-scale food producers
- 2.4 Sustainable agriculture
- 2.5 Genetic resources for agriculture
- 2.a Investment in agriculture
- 2.b Agricultural export subsidies
- 2.c Food price anomalies



#### **GOAL 3 | GOOD HEALTH AND WELL-BEING**

- 3.1 Maternal mortality
- 3.2 Child mortality
- 3.3 Communicable diseases
- 3.4 NCD & mental health
- 3.5 Substance abuse
- 3.6 Road traffic accidents
- 3.7 Sexual & reproductive health
- 3.8 Universal health coverage
- 3.9 Health impact of pollution
- 3.a Tobacco control
- 3.b R&D for health
- 3.c Health financing & workforce
- 3.d Management of health risks



#### **GOAL 4 | QUALITY EDUCATION**



- 4.1 Effective learning outcomes
- 4.2 Early childhood development
- 4.3 TVET & tertiary education4.4 Skills for employment
- 4.5 Equal access to education
- 4.6 Adult literacy & numeracy
- 4.7 Sustainable development education
- 4.a Education facilities
- 4.b Scholarships
- 4.c Qualified teachers



#### **GOAL 5 | GENDER EQUALITY**



- Discrimination against women & girls
- 5.2 Violence against women & girls
- 5.3 Early marriage
- 5.4 Unpaid care and domestic work
- 5.5 Women in leadership
- 5.6 Reproductive health access & rights
- 5.a Equal economic rights
- 5.b Technology for women empowerment
- 5.c Gender equality policies



#### **GOAL 6 | CLEAN WATER AND SANITATION**



- 6.1 Safe drinking water
- 6.2 Access to sanitation & hygiene
- 6.3 Water quality
- 6.4 Water-use efficiency
- 6.5 Trans-boundary water cooperation
- 6.6 Water-related ecosystems
- 6.a International cooperation on water & sanitation
- 6.b Participatory water & sanitation management



#### **GOAL 7 | AFFORDABLE AND CLEAN ENERGY**



- Access to energy services
- 7.2 Share of renewable energy
- 7.3 Energy efficiency
- International cooperation on energy
- 7.b Investing in energy infrastructure



#### **GOAL 8 | DECENT WORK AND ECONOMIC GROWTH**



- Per capita economic growth
- 8.2 Economic productivity & innovation
- 8.3 Formalization of SMEs
- 8.4 Material resource efficiency
- 8.5 Full employment & decent work
- 8.6 Youth NEET
- 8.7 Child & forced labour
- 8.8 Labour rights/safe working environments
- 8.9 Sustainable tourism
- 8.10 Access to financial services
- 8.a Aid for Trade
- 8.b Strategy for youth employment



#### **GOAL 9 | INDUSTRY, INNOVATION AND INFRASTRUCTURE**



- Infrastructure development 9.2 Sustainable/inclusive industrialisation
- 9.3 Small-scale industries access to finance
- 9.4 Sustainable & clean industries
- 9.5 Research and development
- 9.a Resilient infrastructure
- 9.b Domestic technology development
- 9.c Access to ICT & the Internet



#### **GOAL 10 | REDUCED INEQUALITIES**



- 0.1 Income growth (bottom 40%)
- 10.2 Inclusion (socioeconomic & political)
- 10.3 Eliminate discrimination
- 10.4 Fiscal & social protection policies
- 10.5 Regulation of financial markets
- 10.6 Inclusive global governance
- 10.7 Safe migration & mobility
- 10.a Special & differential treatment (WTO)
- 10.b Resource flows for development
- 10.c Remittance costs



## GOAL 11 | RESPONSIBLE CONSUMPTION AND PRODUCTION



- .1 Housing & basic services
- 11.2 Public transports systems
- 11.3 Sustainable urbanisation
- 11.4 Cultural & natural heritage
- 11.5 Resilience to disasters
- 11.6 Urban air quality / waste management
- 11.7 Urban green & public spaces
- 11.a Urban planning
- 11.b Disaster risk management policies
- 11.c Sustainable and resilient buildings



## GOAL 12 | RESPONSIBLE CONSUMPTION AND PRODUCTION



- 12.1 Programmes on SCP
- 12.2 Sustainable use of natural resources
- 12.3 Food waste & losses
- 12.4 Managing chemicals & wastes
- 12.5 Reduction in waste generation
- 12.6 Corporate sustainable practices
- 12.7 Public procurement practices
- 12.8 Sustainable development awareness
- 12.a Support for R&D capacity for SD
- 12.b Sustainable tourism monitoring
- 12.c Fossil-fuel subsidies



#### **GOAL 13 ICLIMATE ACTION**



- 13.1 Resilience & adaptive capacity
- 13.2 Climate change policies
- 13.3 Climate change awareness
- 13.a UNFCCC commitments
- 13.b Climate change planning & management



#### **GOAL 14 | LIFE BELOW WATER**

- 14.1 Marine pollution
- 14.2 Marine & coastal ecosystems
- 14.3 Ocean acidification
- 14.4 Sustainable fishing
- 14.5 Conservation of coastal areas
- 14.6 Fisheries subsidies
- 14.7 Marine resources for SIDS & LDCs
- 14.a Research capacity & marine technology
- 14.b Small-scale artisanal fishing
- 14.c Implementing UNCLOS



#### **GOAL 15 | LIFE ON LAND**

- 15.1 Terrestrial & freshwater ecosystems
- 15.2 Sustainable forests management
- 15.3 Desertification and land degradation
- 15.4 Conservation of mountain ecosystems
- 15.5 Loss of biodiversity
- 15.6 Utilisation of genetic resource
- 15.7 Protected species trafficking
- 15.8 Invasive alien species
- 15.9 Biodiversity in national & local planning
- 15.a Resources for biodiversity & ecosystems
- 15.b Resources for forest management
- 15.c Protected species trafficking (global)



## GOAL 16 | PEACE, JUSTICE AND STRONG INSTITUTIONS

- 16.1 Reduction of violence & related deaths
- 16.2 Human trafficking
- 16.3 Justice for all
- 16.4 Illicit financial and arms flow
- 16.5 Corruption and bribery
- 16.6 Effective institutions
- 16.7 Inclusive decision-making
- 16.8 Inclusive global governance
- 16.9 Legal identity
- 16.10 Public access to information
- 16.a Capacity to prevent violence
- 16.b Non-discriminatory laws



#### GOAL 17 | PARTNERSHIP FOR THE GOALS

- 17.1 Tax & other revenue collection
- 17.2 ODA commitment by developed countries
- 17.3 Additional financial resources
- 17.4 Debt sustainability
- 17.5 Investment promotion for LDCs
- 17.6 Science and tech international cooperation
- 17.7 Transfer of technologies
- 17.8 Capacity building for ICT
- 17.9 Capacity building for SDGs
- 17.10 Multilateral trading system (WTO)
- 17.11 Exports of developing countries17.12 Duty-free market access for LDCs
- 17.13 Global macroeconomic stability
- 17.14 Policy coherence for SD
- 17.15 Respect each country's policy space
- 17.16 Global partnership for SD
- 17.17 Partnerships (public, private)
- 17.18 National statistics availability
- 17.19 Statistical capacity

On-track targets for 2030

Off-track targets for 2030

Missing or insufficient data

Not relevant

Malaysia's Third VNR is aligned with the 2025 High-Level Political Forum theme of "Advancing sustainable, inclusive, scienceevidence-based solutions for the 2030 Agenda for Sustainable Development and its Sustainable Development Goals for leaving no one behind." Malaysia's VNR highlights national efforts to strengthen inclusivity, sustainability and resilience through evidence-based policymaking. Across all SDGs. Malaysia has prioritised targeted interventions informed by disaggregated data, robust national surveys and multidimensional poverty assessments to ensure no one is left behind particularly vulnerable groups such as the rural poor, children, women, PWD, migrants and indigenous communities.

This VNR underscores Malaysia's emphasis on evidence-based sustainable and progress. including initiatives such as NETR, NIMP, Pangkalan Data Utama (PADU) to enhance data-driven decision-making and the strengthening of PPP through PIKAS 2030. National action plans on nutrition, development, biodiversity conservation and digital transformation are examples of Malaysia's cross-sectoral approaches integrated, accelerate SDG achievement. Malaysia reaffirms commitment inclusive to development strategies that are informed by robust policies and continuous monitoring, enabling the nation to chart a resilient pathway towards achieving the 2030 Agenda.

#### Means of Implementation and Mechanisms for Monitoring and Evaluation

The means of implementation for the SDG in Malaysia comprise a mix of financial resources, capacity building and enabling environments at both national and sub-national levels. The measures to achieve the SDG targets include ensuring policy coherence and ratification to multilateral agreements and protocols, along with enhanced awareness and cooperation among stakeholders. In addition, this involves enhancing the SDG governance structure and SDG M&E mechanisms at all levels.

A robust national data system paves the way for an effective M&E mechanism. This entails tracking of SDG progress, assessing effectiveness of policies and programmes, supporting evidence-based decision-making processes and enhancing transparency and accountability. The SDG

Dashboard by DOSM is a key lever in this approach, providing data on all 17 SDG using available indicators. The collection of disaggregated data through the localisation of the SDG is equally important, involving state governments and relevant agencies, such as PLAN Malaysia<sup>4</sup> and Urbanice.

Another key lever in implementing SDG is through and communication, education, awareness promotion (CEPA) programmes. These programmes foster greater multi-stakeholder engagement and policy coherence across national and sub-national levels. Under CEPA, the government has actively collaborated with regional corridors, state governments, CSOs, academia and the private sector to mainstream the goals.

#### **Way Forward**

Malaysia's SDG strategy integrates economic, social and environmental priorities through national development plans. The Malaysia Plan drives inclusive growth, climate resilience and social well-being, embedding SDG principles into policies. Global partnerships with the UN, regional players and the private sector enhance innovation and investment, reinforcing Malaysia's commitment to a resilient, inclusive future. This VNR provides a platform for Malaysia to review SDG progress and further localise efforts, charting the way forward towards 2030. The following chapters will examine the overall status, key initiatives, challenges and priority areas and present the key recommendations for achieving the 2030 Agenda.



# BOX ARTICLE 1.1: GALVANISING A WHOLE-OF-NATION APPROACH IN BUILDING PARTNERSHIPS FOR THE SDG

Malaysia's development involves partnerships across various sectors, including government, CSOs, private sector, academia, and local communities. Initiatives such as the establishment of the Malaysian CSO-SDG Alliance, APPGM-SDG, GLCs Disaster Relief Network for the People and Nation (GDRN) as well as the unique role of economic corridors in Malaysia are examples of pioneering partnerships that further the implementation of the SDG.

Institutionalised partnerships show increased engagement and shared responsibility for a sustainable future. The Malaysian CSO-SDG Alliance is a network of 210 civil society organisations, think tanks, academia and social enterprises whose work advances the SDG. APPGM-SDG provides a platform for Members of Parliament and Senators to discuss public interest topics and collaborate with stakeholders such as civil society, academia and the private sector. GDRN coordinates the corporate social responsibility efforts of Malaysia's Government-Linked Corporations and Government-Linked Investment Corporations, aligning resources for humanitarian aid to support those affected by crises. Malaysia's five regional economic corridors (Northern Corridor Economic Region, East Coast Economic Region, Iskandar Malaysia, Sabah Development Corridor and Sarawak Corridor of Renewable Energy) serve as key intermediaries in promoting sustainable development within their designated economic zones by promoting sustainable practices, environmental conservation and renewable energy initiatives.

These collaborative models enhance policy coherence and implementation, strengthening Malaysia's capacity to respond to challenges. The CSO-SDG Alliance is part of the CSO Working Committee in Malaysia's SDG governance structure and contributes to the advancement of the SDG through its members' work across a range of development issues. APPGM-SDG brings lawmakers together to discuss development challenges and undertake community-driven solutions. GDRN's strength lies in its partnerships with community groups, CSOs, NGOs and government agencies such as the National Disaster Management Agency (NADMA). The economic corridors also build partnerships with stakeholders such as government, industry and the local community in driving their value proposition. These approaches help ensure that diverse voices inform national priorities, laying the foundation for a sustainable future.

PROGRESS ON THE

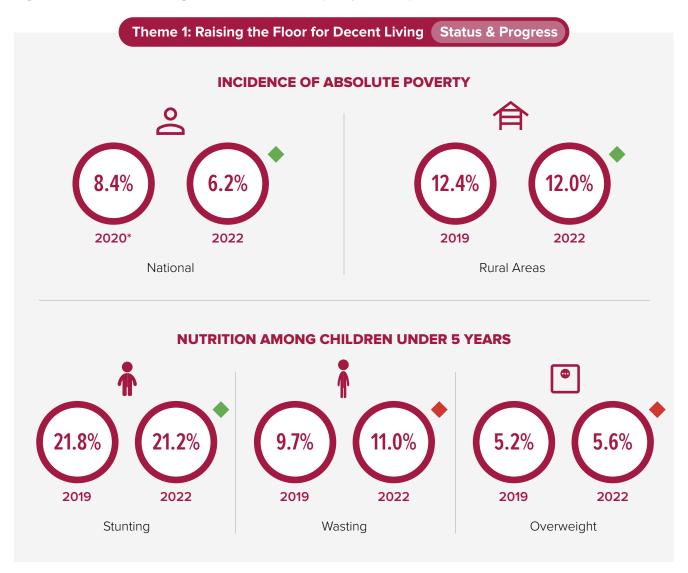


#### Chapter Two: Progress on the People Pillar

The People Pillar assesses Malaysia's progress on SDG 1, SDG 2, SDG 3, SDG 4 and SDG 5 through two themes: Raising the Floor for Decent Living and Leaving No One Behind for Inclusive Reforms. This Pillar reviews national policies, strategies, action plans and cross-sectoral efforts aimed at improving the socioeconomic conditions of vulnerable groups, highlighting both progress and persistent inequalities.

Figures 2.1 and 2.2 provides a summary of progress under this pillar across both themes. Figure 2.1 illustrates trends in absolute poverty and child nutrition, while Figure 2.2 highlights progress in women's political and managerial representation, strengthened legal frameworks for gender equality and PWD support efforts.

Figure 2.1: Status and Progress for Theme One (People Pillar)



Note: \*DOSM estimates for the year 2020

Source: DOSM, Household Income Estimates and Incidence of Poverty 2020; DOSM, SDG Dashboard

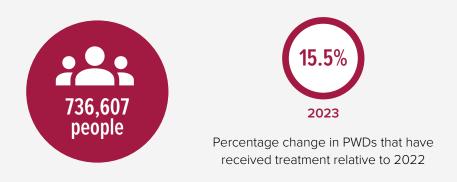
Figure 2.2: Status and Progress for Theme Two (People Pillar)



## LEGAL FRAMEWORKS TO MONITOR EQUALITY AND NON-DISCRIMINATION BASED ON SEX, AND VIOLENCE AGAINST WOMEN



#### **PWDs IN MALAYSIA CONSTITUTES ABOUT 2.2% OF POPULATION**



Source: DOSM, SDG Dashboard

## THEME 1: RAISING THE FLOOR FOR DECENT LIVING

Malaysia's commitment to raising the floor for decent living reflects a broader ambition to address structural inequalities and improve social mobility. This theme focuses on securing a sustainable and dignified standard of living for all Malaysians, emphasising universal access to basic needs such as food, housing, education, healthcare, decent work and social protection. Targeted interventions prioritise the B40 income group, vulnerable communities and populations in rural or remote areas through integrated service delivery and capacity-building efforts. By lifting the minimum threshold of living standards and increasing socioeconomic resilience, Malaysia seeks to build a more progressive, equitable and inclusive society that leaves no one behind.

#### **Status and Progress**

Malaysia's post-pandemic recovery under the People Pillar has been driven by inclusive policy interventions with targeted social protection measures to restore livelihoods and build resilience. Key efforts include the expansion of food aid, improved access to healthcare and enhanced educational equity, particularly for vulnerable groups. The scaling up of cash assistance, school feeding programmes and community-based farming initiatives reflect a holistic approach to alleviate poverty and malnutrition.

These sustained efforts have contributed to notable progress in poverty reduction. Malaysia continues to build on this momentum by working to narrow urban-rural equity gaps and broaden social security. Malaysia's incidence of absolute poverty declined from 7.6% in 2016 to 5.6% in 2019. In line with global trends, 2020 saw a peak of 8.4% due to pandemic-related socioeconomic disruptions and subsequently reduced to 6.2% in 2022,<sup>5</sup> due to concerted national recovery efforts. Table 2.1 reflects the incidence of absolute poverty by strata and ethnicity, while Table 2.2 details the SDG indicators of poverty in Malaysia.

Table 2.1: Incidence of Absolute Poverty in Malaysia (2019 and 2022), in percentage (%)

| Category   | 2019 | 2020* | 2022 |
|------------|------|-------|------|
| Malaysia   | 5.6  | 8.4   | 6.2  |
| Urban      | 3.8  | NA    | 4.5  |
| Rural      | 12.4 | NA    | 12.0 |
| Bumiputera | 7.2  | NA    | 7.9  |
| Chinese    | 1.4  | NA    | 1.9  |
| Indians    | 4.8  | NA    | 5.4  |

Notes:

\*Estimation from DOSM

PLI 2019 & 2020: RM2,208, PLI 2022: RM2,589

NA: Data not available from the Household Income Estimates and Incidence of Poverty 2020, DOSM

Source: DOSM, Poverty in Malaysia 2022



Table 2.2: SDG 1 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  |  |  | National Performance |         |         |  |
|-------------------|--|--|--|----------------------|---------|---------|--|
|                   |  | Indicator  | Description  | 2021                 | 2022    | 2023    |  |
| 1.1               | Eradicate Extreme Poverty  | 1.1.1 (proxy): Proportion of population living below the international poverty line, by sex, age, employment status and geographical location  | Proportion of<br>households living<br>below the<br>international poverty<br>line, Malaysia                             | NA                   | 0.0     | NA      |  |
|                   |  | 1.2.1 (proxy): Proportion of households living below the national poverty line by state, sex of head of households and strata.   | Proportion of<br>households living<br>below the national<br>poverty line   | NA                   | 6.2     | NA      |  |
| 1.2               | Reduce Poverty by at least 50 %  | 1.2.2: Proportion of men,<br>women and children of all<br>ages living in poverty in all its<br>dimensions according to<br>national definitions   | Multidimensional<br>poverty index in<br>Malaysia - average<br>intensity  | NA                   | 0.0079  | NA      |  |
|                   |  | 1.3.1: Proportion of population covered by social protection floors/ systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable | Number of recipients<br>by type of assistance<br>and vulnerable<br>groups, Malaysia<br>(Children assistance)           | 65,197               | 66,660  | 65,670  |  |
|                   |  |  | Elderly Assistance   | 139,425              | 141,114 | 147,815 |  |
|                   |  |  | Disabled Worker<br>Assistance  | 93,331               | 97,915  | 98,508  |  |
| 1.3               | Implement social protection systems  |  | Financial Assistance   | 106,543              | 105,371 | 104,513 |  |
|                   | systems  |  | Assistance for the carer of the bedridden PWD/chronically ill patients   | 26,582               | 27,192  | 28,340  |  |
|                   |  |  | Assistance for PWD incapable   | 85,478               | 94,064  | 105,397 |  |
|                   |  |  | Loss of Employment   | 61,360               | 34,388  | 49,982  |  |
| 1.4               | Equal Rights to Ownership, Basic<br>Services, Technology and<br>Economic Resources | 1.4.1: Proportion of population living in households with access to basic services   | Proportion of<br>population using<br>safely managed<br>drinking water<br>services by state and<br>strata, Malaysia (%) | 94.7                 | 94.9    | 95.2    |  |
|                   |  |  | Proportion of<br>households using<br>safely managed<br>sanitation services,<br>Malaysia (%)                            | NA                   | 99.9    | NA      |  |

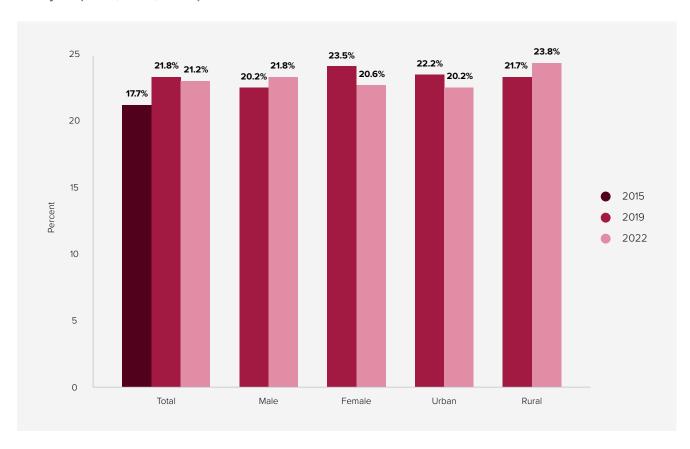
#### Chapter Two: Progress on the People Pillar

| T-ut/                    | arget (in brief) Indicator Description   |  | Description | National Performance |      |      |
|--------------------------|--|--|-------------|----------------------|------|------|
| Target (                 | in prier)  | Indicator  | Description | 2021                 | 2022 | 2023 |
| res<br>sou<br>enh<br>coc | resources from a variety of sources, including through enhanced development cooperation, in order to provide 1.a adequate and predictable means for developing countries, in particular least developed  1.a.2: Proportion of total government spending on essential services (education, health, and social protection) | Proportion of total<br>government<br>spending on<br>education, Malaysia<br>(%) | 20.5        | 20.2                 | 17.1 |      |
| for<br>par<br>cou<br>pro |  | essential services (education,   | Health      | 10.3                 | 8.0  | NA   |

Source: DOSM, SDG Dashboard

Steady progress has been recorded in addressing poverty-related challenges including malnutrition and child health. The overall stunting rate among children under five declined slightly, from 21.8% in 2019 to 21.2% in 2022, reflecting the impact of sustained efforts in nutrition and healthcare (Figure 2.3). Government efforts include targeted nutrition programmes, improved healthcare access and strengthened community outreach to ensure that all children are supported to achieve optimal growth and development.

Figure 2.3: Prevalence of Stunting Among Children Under Five Years of Age by Sex and Strata in Malaysia (2015, 2019, 2022)



Source: DOSM, SDG Dashboard; Ministry of Health, National Health and Morbidity Survey, 2022

#### Chapter Two: Progress on the People Pillar

However, disaggregated data shows that stunting among male children increased from 20.2% to 21.8%, and among children in rural areas, it rose from 21.7% to 23.8% during the same period. These findings point to persistent inequalities that require targeted interventions. At the state level, the highest stunting rates in 2022 were recorded in Pahang (28.2%) and Sabah (25.3%) (Figure 2.4). To address these disparities, the government has implemented targeted nutrition programmes, expanded healthcare access and strengthened community outreach, aiming to support all children in reaching optimal growth and development.<sup>6</sup>

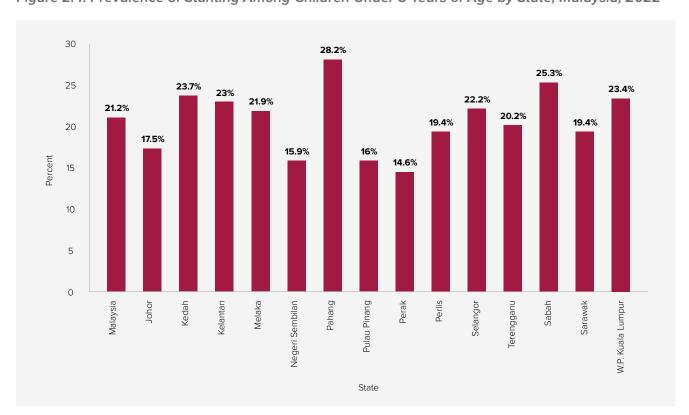


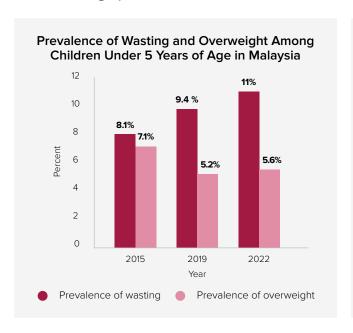
Figure 2.4: Prevalence of Stunting Among Children Under 5 Years of Age by State, Malaysia, 2022

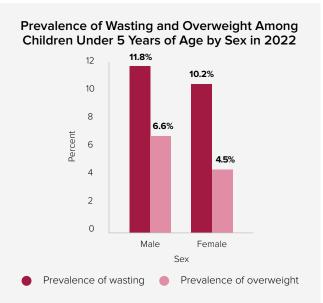
Source: DOSM, SDG Dashboard; Ministry of Health, National Health and Morbidity Survey, 2022

The double burden of malnutrition is a complex challenge faced by many countries, including Malaysia. Wasting, an indicator of acute malnutrition, is typically linked to inadequate dietary intake, suboptimal feeding practices and infections, often intensified by food insecurity and broader socioeconomic conditions. While the prevalence of wasting among children under the age of five rose from 8.1% in 2015 to 11.0% in 2022, childhood overweight decreased from 7.1% to 5.6% over the same period (Figure 2.5). In 2022, boys experienced a higher prevalence of both wasting (11.8%) and overweight (6.6%) compared to girls (10.2% and 4.5% respectively). While minor sex-based differences were observed, nutrition strategies should prioritise individual health conditions, severity and contextual vulnerabilities over broad gender-based approaches.



Figure 2.5: Prevalence of Malnutrition (Weight for Height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) Among Children Under 5 Years of Age, by Type (Wasting and Overweight)





Source: DOSM, SDG Dashboard; Ministry of Health, National Health and Morbidity Survey, 2022; Ministry of Health, 2025

#### **Present Efforts**

Malaysia's commitment to raising the floor for decent living is evident in a broad range of initiatives across national and sub-national levels with a strong focus on rural development. Under Ekonomi MADANI, the Government has put in place four main initiatives to eradicate hardcore rural poverty: the Income Enhancement Programme (PPP), Skills and Career Training Programme Rural Development (PLKK), Sustainable Programme and the Integrated Village Economic (PROSPEK).9 Development Project These programmes work in tandem to train individuals to boost business acumen, target village cooperatives to encourage income generation activities and provide economic assistance.

The Digitalisation Strategic Plan for Rural Development (2021–2025) builds economic empowerment, infrastructure development, education, skills training and social services, <sup>10</sup> while the National Rural Physical Policy 2030 (NRPP 2030) is the nation's first spatial rural development policy. A core objective of the NRPP 2030 is to upgrade rural infrastructure to improve access to healthcare services. <sup>11</sup> A nationwide network of rural health clinics provides both preventive and

curative services, with an emphasis on maternal and child healthcare, immunisation and disease prevention.<sup>12</sup> The Government has expanded mobile clinics and telemedicine services, enabling urgent care and specialist consultations in more remote areas.<sup>13</sup> The NRPP 2030 also outlines community-based health programmes to educate rural populations on hygiene, nutrition and disease prevention and provision of capacity building for community health workers to support primary care delivery.

Infrastructure is being upgraded under a rural road programme (JALB),14 while the rural electrification programme (BELB)<sup>15</sup> is extending energy access to more communities. Economic development is advanced through rural entrepreneurship programmes (SPKLB)<sup>16</sup> which provides financial assistance, training and resources to rural entrepreneurs. The Government has also run a rural water programme (BALB) since 2015 to improve access to clean water.<sup>17</sup> Anchoring these efforts is the Rural Development Policy 2030 (RTP) which looks to create sustainable livelihoods, nurture quality human capital and stem rural-urban migration by retaining talent in rural communities.<sup>18</sup>

#### Chapter Two: Progress on the People Pillar

Addressing overlapping challenges related to women's and children's nutrition, the Government has released the Malaysian Dietary Guidelines series to assist healthcare practitioners in guiding patients on healthy eating practices. As part of this series, the Healthy Eating Responsibility for Women (HER) initiative supports the nutritional well-being of women of reproductive age, contributing to better health outcomes for families and communities. Maternal health is supported through counselling. micronutrient supplementation and maternity protection, as well as campaigns such as the First 1,000 Days of Life programme<sup>19</sup> which advocates exclusive breastfeeding, appropriate complementary feeding and regular growth monitoring.

The nation's child health and nutrition agenda are underpinned by policy frameworks, including the National Plan of Action for Nutrition of Malaysia III 2016–2025 (NPANM), the Child Health Framework 2021–2030 and the National Strategic Plan to Combat the Double Burden of Malnutrition Among Children 2022–2030. These plans aim to improve the quality and accessibility of nutrition services as well as build capacity within communities and institutions. The NPANM also outlines nutritional surveillance systems that allow for timely monitoring and response in areas with high child malnutrition prevalence.<sup>20</sup> Tables 2.3 and 2.4 present the status and progress of SDG 2 and SDG 3 based on selected indicators from 2021 to 2023.

Poverty alleviation efforts are spread across government ministries and agencies, utilising a multi-pronged approach. The People's Income Initiative (IPR) was initiated in 2023 to generate employment or entrepreneurship opportunities either through crop farming, food retail or service operations. The low-income urban populace is able to access the Urban Community Economic Empowerment Programme (PEKB),<sup>21</sup> a component under the Urban Community Empowerment Programme (PPKB), which provides training and funding encourage entrepreneurship. MYFutureJobs, managed by SOCSO, broadened significantly its outreach communities through a suite of targeted initiatives including personalised job matching and skills The assessments. Malaysia Social





Entrepreneurship Blueprint 2030 outlines the Government's actions to create a holistic ecosystem to grow social entrepreneurship in the country, ensuring inclusive growth while conserving the environment.

Affordable housing for low-income families is provided through the People's Housing Programme (PPR) rental and ownership schemes. In 2024, the Government rebranded the PPR as the People's Residential Programme (PRR) along with pledging to provide higher quality and affordable housing to low-income groups, ensuring sustainability and liveability.<sup>22</sup> The PRR developments will include more community spaces, the use of solar energy and improved integration with public transportation.<sup>23</sup> Complementing this, the People's Friendly Homes initiative (RMR) assists low-income households who do not own homes or live in dilapidated homes but have land to obtain a comfortable home. The Government has so far constructed 466,421 homes as of February 2025, on track to fulfil its goal of half a million affordable homes by 2025.<sup>24</sup>

Urban poverty and pandemic-triggered hardship were accompanied by resilience during the pandemic, as reflected in the 2021 VLR conducted in Shah Alam and Subang Jaya. The VLR emphasised the importance of a whole-of-nation approach in addressing multidimensional urban poverty, which was compounded during the pandemic. While many households experienced income loss and rising living

#### Chapter Two: Progress on the People Pillar

costs, proactive measures by national and sub-national authorities helped soften the impact and lay the groundwork for recovery. These included targeted assistance programmes, cash transfers and economic stimulus initiatives that supported household consumption and prevented deeper economic distress. National care aid programmes such as Bantuan Prihatin Nasional (BPN) and Bantuan Prihatin Rakyat (BPR) delivered direct cash assistance to vulnerable families, while loan moratoriums offered temporary relief to borrowers struggling with repayments. In tandem, various wage subsidy schemes helped businesses retain workers during periods of reduced economic activity. Together, these interventions contributed to short-term economic stability and reduced the risk of long-term

impoverishment.

The 12MP provides inclusive development through a range of socioeconomic upskilling and support initiatives for ethnic minorities, including the Orang Asli Socioeconomic Development Programme for the indigenous communities in Peninsular Malaysia, the Special Programme for Bumiputera in Sabah and Sarawak, entrepreneurship programmes in Kampung Baru Cina and initiatives coordinated by the Malaysian Indian Transformation Unit (MITRA). These initiatives underscore Malaysia's commitment to reducing regional disparities, enhancing rural livelihoods and ensuring equitable access to essential services.

Table 2.3: SDG 2 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief)                               |   | to Books a   | Berndelen   | National Performance |      |      |
|---|---|--|---|----------------------|------|------|
|   |   | Indicator  | Description   | 2021                 | 2022 | 2023 |
|   |   | 2.1.1: Prevalence of undernourishment  | Prevalence of undernourishment (%)  | <2.5                 | <2.5 | NA   |
| Universal Access to Safe and<br>Nutritious Food | 2.1.2: Prevalence of<br>moderate or severe food<br>insecurity in the population,<br>based on the Food<br>Insecurity Experience Scale<br>(FIES)  | Prevalence of moderate<br>or severe food<br>insecurity in the<br>population, based on<br>the Food Insecurity<br>Experience Scale (FIES)  | 16.0  | 16.7                 | NA   |      |
|   |   | Prevalence of severe food insecurity (%)   | 6.0   | 5.8                  | NA   |      |
| End All Forms of Malnutrition                   | 2.2.1: Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age                     | Prevalence of Stunting<br>among children under<br>5 years of age, 2015,<br>2019, and 2022 (%)  | NA  | 21.2                 | NA   |      |
|   | 2.2.2: Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight) | Prevalence of wasting<br>among children under<br>5 years of age, Malaysia<br>(%)   | NA  | 11.0                 | NA   |      |
|   |   | Prevalence of<br>overweight among<br>children under 5 years<br>of age, Malaysia (%)  | NA  | 5.6                  | NA   |      |
|   |   | based on the Food Insecurity Experience Scale (FIES)  2.2.1: Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age  2.2.2: Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and | the Food Insecurity Experience Scale (FIES)  Prevalence of severe food insecurity (%)  Prevalence of Stunting among children under 5 years of age, 2015, 2019, and 2022 (%)  Prevalence of wasting among children under 5 years of age, Malaysia (%)  Prevalence of overweight among children under 5 years | NA<br>NA             | 21   | .2   |

| Target (in brief) |  | In Books  | Barrietian   | National Performance |        |        |
|-------------------|--|---|--|----------------------|--------|--------|
| Tai               | rget (In brief)  | Indicator   | Description  | 2021                 | 2022   | 2023   |
|                   |  | 2.5.1: Number of plant and animal genetic resources for food and agriculture  | Number of animal genetic resource for food and agriculture secured in either medium or long-term conservation facilities, Malaysia (number) (Local live purebred cattle)       | 414                  | 635    | 811    |
| 2.5               | Maintain the Genetic Diversity in Food<br>Production   | secured in either medium-   | Semen  | 25,578               | 27,175 | 26,973 |
|                   |  | or long-term conservation<br>facilities   | Number of plant<br>genetic resources for<br>food and agriculture<br>secured in either<br>medium or long-term<br>conservation facilities,<br>Malaysia (number of<br>accessions) | NA                   | 19,441 | 20,634 |
|                   | Increase investment, including through enhanced international cooperation in rural infrastructure, agricultural research and extension | 2.a.1: Agriculture<br>orientation index for<br>government expenditures  | Agriculture orientation index for government expenditures, Malaysia (Agriculture share of Government Expenditure %)  | 1.4                  | 1.3    | NA     |
| 2.a               | services, technology development,<br>and plant and livestock gene banks to<br>enhance agricultural productive                          |   | Agriculture value added share of GDP (%)   | 9.6                  | 9.0    | NA     |
|                   | capacity in developing countries, in particular in the least developed countries   | 2.a.2: Total Official Flows<br>(Official development<br>assistance plus other<br>official flows) to the<br>agriculture sector | Total official flows<br>(disbursement) for<br>agriculture, Malaysia<br>(millions USD, constant<br>2021)  | 1.561                | 0.621  | NA     |
|                   |  |   |  |                      |        |        |

Source: DOSM, SDG Dashboard; FAO, IFAD, UNICEF, WFP, and WHO, 2022, 2023 & 2024, The State of Food Security and Nutrition in the World 2022, 2023 & 2024



Table 2.4: SDG 3 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  | Indicator   | Description   | National<br>Performance |      |      |
|-------------------|--|---|---|-------------------------|------|------|
|                   |  |   |   | 2021                    | 2022 | 2023 |
|                   |  | 3.1.1: Maternal mortality ratio   | Maternal mortality ratio<br>by state, Malaysia (ratio)  | 68.2                    | 26.0 | 25.7 |
| 3.1               | By 2030, reduce the global maternal<br>mortality ratio to less than 70 per 100,000<br>live births  | 3.1.2: Proportion of<br>births attended by<br>skilled health personnel  | Proportion of births<br>attended by skilled<br>health personnel,<br>Malaysia  | 99.6                    | 99.8 | 99.7 |
|                   | By 2030, end preventable deaths of newborns and children under 5 years of age,   | 3.2.1: Under-5 mortality rate   | Under-5 mortality rate  | 7.4                     | 8.6  | 8.3  |
| 3.2               | with all countries aiming to reduce neonatal<br>mortality to at least as low as 12 per 1,000<br>live births and under-5 mortality to at least<br>as low as 25 per 1,000 live births  | 3.2.2: Neonatal mortality rate  | Neonatal mortality rate<br>by state, Malaysia   | 4.1                     | 4.2  | 4.3  |
| 3.7               | By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes | 3.7.2: Adolescent birth rate (aged 10–14 years; aged 15–19 years) per 1,000 women in that age group                             | Adolescent birth rate<br>(aged 15 – 19 years) in<br>Malaysia  | 6.1                     | 5.8  | 7.1  |
|                   | Achieve universal health coverage, including   | 3.8.1: Coverage of essential health services  | Coverage of essential<br>health service, Malaysia<br>(index)  | 76                      | NA   | NA   |
| 3.8               | financial risk protection, access to quality<br>essential health-care services and access to<br>safe, effective, quality and affordable<br>essential medicines and vaccines for all  | 3.8.2: Proportion of population with large household expenditures on health as a share of total household expenditure or income | Proportion of population<br>with large household<br>expenditures on health<br>as a share of total<br>household expenditure<br>by strata, Malaysia (%) | NA                      | 2.4  | NA   |

Source: DOSM, SDG Dashboard

#### **Challenges and Way Forward**

Malaysia continues to prioritise the meaningful inclusion of all communities, including those in rural and underserved areas, in the nation's development. Regional strategies are stimulating economic transformation, expanding digital connectivity and improving quality of life. Continued investment in rural development will further improve connectivity, agricultural productivity and eco-tourism, contributing towards long-term economic resilience. For instance, the Sustainable Tourism Project by UNDP and MOF promotes sustainable tourism practices that enhance livelihoods and safeguards cultural heritage. Pilot sites in Mersing, Setiu and Manjung drive inclusive and sustainable economic growth through SDG localisation.

A stronger emphasis on multidimensional poverty data is enabling Malaysia to design more effective, inclusive interventions. By moving beyond income metrics to include indicators such as education, healthcare access, living conditions and employment, policymakers are better equipped to respond to the complex realities faced by vulnerable groups. The development of PADU,<sup>25</sup> a centralised repository of individual- and household-level data, marks a significant step forward in addressing data fragmentation, enabling a more holistic understanding of socioeconomic realities across different demographics and facilitating government interventions at all levels.

## THEME 2: LEAVING NO ONE BEHIND FOR AN INCLUSIVE REFORM

Malaysia is advancing targeted reforms aligned with the principle of leaving no one behind, focusing on strengthening support systems and expanding development opportunities across all segments of society. Vulnerable communities continue to face inflation, income volatility and rising living costs. While gender disparities in the labour force have narrowed, they persist in wages, representation and caregiving responsibilities. Child welfare policies aim to close education gaps and improve protection systems, while older persons contend with challenges related to healthcare access and financial security.

Efforts to improve participation for PWD include expanding economic pathways, reinforcing legal protections and supporting a shift towards more accessible services. Indigenous peoples and rural communities remain affected by geographic isolation and infrastructure limitations, which restrict access to healthcare, education and livelihoods.

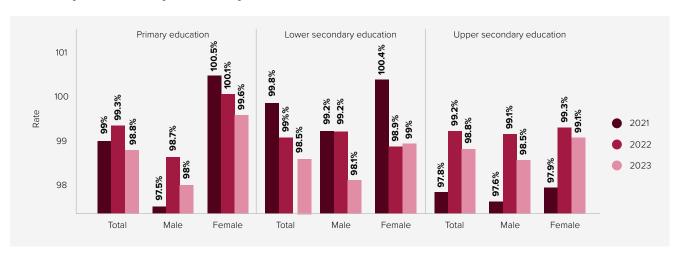
Increasing efforts to reform poverty reduction strategies and improve data collection and analysis are paving the way for more inclusive outcomes for vulnerable groups. Progress is evident in the expansion of government support measures, growth in employment among PWD, broader implementation of care economy frameworks, improved child nutrition and greater female participation in the workforce. Recent policies have also accelerated digitalisation, improved data accessibility, strengthened legislative frameworks and increased investments in education and social development.

#### **Status and Progress**

#### Women and Children

Consistent with the Government's target of 30% women in leadership positions,<sup>26</sup> Malaysia has made progress in advancing gender equality under SDG 5, though disparities persist in certain domains. Women's representation in Parliament and Senate remains below 20%, with female representation at the House of Representatives at 13.5% (2023) and Senate at 16.1% (2023).<sup>27</sup> Progress has been made for the proportion of women in managerial positions, where managerial roles in the Government (Key Public Sector Positions (JUSA) grade C and above) is at 39.5% in 2023 and in the private sector, 32.2% of board members in Malaysia's top 100 public listed companies are women.<sup>28</sup>

Figure 2.6: Completion Rates for Primary Education, Lower Secondary Education, and Upper Secondary Education by Sex, Malaysia



Source: DOSM, SDG Dashboard

#### Chapter Two: Progress on the People Pillar

Figure 2.6 shows that Malaysia has achieved near-universal completion rates in primary and lower secondary education, with total rates close to 99% across both levels in 2023. Government statistics show that 0.9% of children still lack access to primary education. The strong transition from primary through lower and upper secondary also points to the impact of national programmes aimed at reducing dropout and enhancing educational continuity. The secondary school dropout rate has steadily decreased over the years, from 1.1% in 2020 to 0.8% in 2023. Female students consistently outperform male students across all stages, including the primary education level with 2023 completion rates at 99.6% for girls and 98.0% for boys. This trend continues into tertiary education, where female enrolment rates are at 50.7% compared to 33.8% for men. The disparity at higher education levels suggests the need for targeted efforts to improve retention and performance among male students.

While the near-universal completion rates reflect a robust education system and sustained policy focus on access, the gap between women's educational outcomes and their labour force participation persist.<sup>31</sup> Efforts are ongoing to increase the female labour force participation as the participation rate remains below the target. This signals the need for deeper structural reform to support women's transition from education to employment and subsequent retention.<sup>32</sup>

Malaysia consistently works to develop future-ready talent through a comprehensive approach that integrates health, education and economic preparedness. The Malaysia Education Blueprint 2013–2025 outlines strategic shifts to transform the education system, with an emphasis on strengthening Science, Technology, Engineering, and Mathematics (STEM) education. This includes efforts to increase student participation in STEM fields, upgrade laboratory facilities and provide continuous professional development for teachers. It will be followed by the Malaysia Future Education Blueprint 2026–2036 that will advance the implementation of digital technologies in pedagogical approaches, converging with Al.<sup>33</sup> The Education Management Information System (EMIS) collects and analyses data on enrolment, dropout rates, teacher qualifications and school infrastructure to inform policy decisions and improve outcomes.

Malaysian universities have played an increasingly active role in advancing the SDG, as recognised by international rankings such as Times Higher Education (THE) Impact Rankings and QS Sustainability Rankings. Universiti Malaya (UM), ranked 9th in Asia for the QS Sustainability Rankings 2025, has been acknowledged for its contributions to promoting social equity and conducting research aligned with the SDG agenda. Universiti Sains Malaysia and UM also ranked in the global Top 100 in the 2025 THE University Impact Rankings, alongside Universiti Kebangsaan Malaysia and Sunway University, reflecting their commitment to advancing both global and community-level collaboration in support of the SDG.<sup>34</sup>

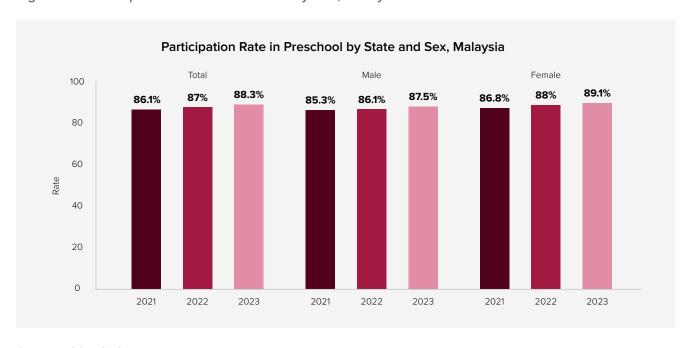


Table 2.5: SDG 4 Status and Progress by Selected Indicators (2021-2023)

| Tar | get (in brief)  | Indicator  | Description  | National<br>Performance |      | e    |
|-----|---|--|--|-------------------------|------|------|
|     |   |  |  | 2021                    | 2022 | 2023 |
| 4.1 | By 2030, ensure that all girls and<br>boys complete free, equitable and<br>quality primary and secondary<br>education leading to relevant and<br>effective learning outcomes        | 4.1.2: Completion rate<br>(primary education, lower<br>secondary education, upper<br>secondary education)                                | Completion rate for primary<br>education, lower secondary<br>education and upper<br>secondary education by<br>state and sex, Malaysia (rate) | 99.0                    | 99.3 | 98.8 |
| 4.2 | By 2030, ensure that all girls and<br>boys have access to quality early<br>childhood development, care and<br>pre-primary education so that they<br>are ready for primary education | 4.2.1: Proportion of children aged 24-59 months who are developmentally on track in health, learning and psychosocial well-being, by sex | Proportion of children aged<br>24-59 months who are<br>developmentally on track in<br>health by state and sex,<br>Malaysia, 2016 and 2022    | NA                      | 91.4 | NA   |
|     |   | 4.2.2: Participation rate in organized learning (one year before the official primary entry age), by sex                                 | Participation rate in preschool in Malaysia (rate)   | 86.1                    | 87.0 | 88.3 |
| 4.3 | By 2030, ensure equal access for all<br>women and men to affordable and<br>quality technical, vocational and<br>tertiary education, including<br>university                         | 4.3.1: Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex          | Participation rate of youth<br>and adults in formal<br>education and training in the<br>previous 12 months by sex,<br>Malaysia (rate)        | 10.5                    | 10.3 | 10.4 |

Source: DOSM, SDG Dashboard

Figure 2.7: Participation Rate in Preschool by Sex, Malaysia



Source: DOSM, SDG Dashboard

#### Persons with Disabilities

In 2023 there were 736,607 PWD registered in Malaysia, including 831 infants under the age of one with disabilities, 1,453 children aged 18 months suspected of having autism,<sup>35</sup> and 265,503 registered cases of children with learning disabilities.<sup>36</sup> This number represents approximately 2.2% of the nation's population. National data indicates a 15.5% increase the number of PWD accessing healthcare services in 2023, reflecting progress in expanding access.<sup>37</sup>

To build on this momentum, continued investment in disability-responsive healthcare, early childhood interventions and coordinated social support systems is needed to ensure all PWD can access services and participate fully in Malaysian society.

#### **Older Persons**

Malaysia is undergoing a demographic shift towards becoming an ageing society. According to the United Nations World Assembly on Ageing in Vienna 1982, older persons are defined as individuals aged 60 years and above. In this regard, Malaysia is expected to become an aged nation in 2030, when the share of the population aged 60 years and over, reaching 15%.<sup>38</sup> The United Nations defines the ageing level of a nation into three categories, namely, ageing nation when the population aged 65 and above reaches 7% of the total population, aged nation at 14%, and super-aged nation at 20%. On this basis, Malaysia became an ageing nation in 2021 and is expected to become an aged nation by 2044. <sup>39</sup>

Life expectancy continues to increase, reaching 75.2 years in 2024 with 77.8 years for women and 73 years for men. Many older persons remain active in the workforce, often in informal or part-time roles, while a growing number operate small businesses to sustain themselves. Although many continue to live with family members, there is a rising trend, particularly in rural areas, of older individuals living alone. These developments highlight the need for policies that enhance income security, expand care and social protection systems and create opportunities for older adults to participate meaningfully in economic and social activities.

Financial security in retirement is an ongoing concern. A significant number of older Malaysians rely on continued employment, family support or limited savings to meet their needs. The adequacy of retirement savings, particularly among those without formal pension schemes, remains a challenge.<sup>40</sup> Efforts to enhance social protection programmes and promote financial literacy are essential to ensure a dignified life for the ageing population.



#### **Indigenous Communities**

As of 2022, the Orang Asli population in Peninsular Malaysia was recorded at 209,575 individuals. The 12MP and its MTR emphasise inclusive development strategies for indigenous communities. These strategies focus on enhancing access to education, healthcare, infrastructure and economic opportunities while preserving cultural heritage. 42

Economic initiatives include encouraging participation in commercial crop plantations such as oil palm, rubber and cocoa, as well as the commercialisation of traditional handicrafts and forest products. To support these endeavours, facilities microfinancing and skills programs are being expanded to empower indigenous entrepreneurs. Efforts continue to improve access to basic utilities like clean water and electricity, especially in remote areas. Additionally, programmes aimed at enhancing literacy and education among indigenous children are being implemented to reduce dropout rates and promote higher educational attainment.



#### **Present Efforts**

#### Women and Children

Malaysia has updated its 1989 National Policy on Women (NPW) with the National Action Plan for the Advancement of Women (NAPAW), which outlines strategies to reduce gender disparities in education, employment and leadership. The plan focuses on economic empowerment, promoting gender-inclusive policies, legal protections and healthcare. Gender-responsive budgeting (GRB) has been integrated into government planning processes to ensure financial allocations address women's needs and help reduce structural gender disparities.

Complementing these efforts, the National Women's Policy 2025-2030 provides a strategic national framework to advance gender equality through four priority areas: economic empowerment, leadership, safety and well-being. Launched in 2025, the policy enhances national strategies to address persistent challenges such as the gender pay gap, workplace discrimination, limited leadership opportunities and domestic violence. It sets ambitious targets, including increasing the female labour force participation rate to 60%, achieving 30% representation of women in decision-making roles and registering one million female entrepreneurs by 2030. The policy reflects Malaysia's whole-of-government commitment to addressing systemic gender gaps and is closely aligned with SDG 5 implementation.<sup>43</sup>

Women's labour force participation reached 56.2% in 2023,<sup>44</sup> with *Ekonomi MADANI* aiming to increase this to 60% by introducing policies that support women's entry and retention in the workforce while addressing persistent gender pay gaps. Under Budget 2025, the Government introduced an additional

Chapter Two: Progress on the People Pillar



50% tax incentive for employers who hire women re-entering the workforce to boost gender parity in employment. Existing initiatives also include improved access to financing for women entrepreneurs, flexible work arrangements and expanded vocational training to support career mobility.

Malaysia has implemented several programmes aimed at bolstering women's participation in the economy and leadership roles. The Women Entrepreneur Financing Programme, known as WEP-LEAP, is designed to support women entrepreneurs in expanding their businesses. Launched in 2025, the Women's Leadership Apprenticeship Programme (PERANTIS) aims to cultivate women's leadership across various sectors. The initiative aims to identify 100 accomplished women leaders to mentor 5,000 participants nationwide. Microcredit organisation Amanah Ikhtiar Malaysia (AIM) has advanced women's entrepreneurship by providing microfinancing and capacity-building support, particularly for women from low-income households seeking to start or expand small businesses, recording allocations of RM2.57 billion to 272,242 women entrepreneurs as of November 2024. In seeking to bridge the digital literacy gender gap, the Government has introduced targeted initiatives such as EmpowerHER Digital 2025 which equips women from the B40 community with essential digital skills, market access and business mentorship.

Promoting a more equitable distribution of unpaid care responsibilities empowers women to participate fully in the labour force and pursue greater career advancement. As of 2023 the number of persons outside the labour force stood at seven million persons,  $^{47}$  with women representing 68.7% of the total.  $^{48}$  The main reason provided for being outside the labour force was housework or family responsibilities at 42.6%.  $^{49}$ 

Expanding the care economy can help address this imbalance by increasing access to professional care services, thereby enabling more women to pursue education and employment. At the federal level, the Government is developing a Care Industry Action Plan to build a skilled workforce capable of supporting the needs of older persons, PWD and children.<sup>50</sup> At the state level, Selangor's Care Economy Policy 2024–2030 (DEPNS) positions the state as a care economy hub by improving access to services, providing support for caregivers and recognising care work as a contributor to economic growth. As part of the policy rollout, Selangor is conducting a comprehensive gap analysis to inform future interventions and has begun disbursing micro-grants to care centres alongside capacity-building initiatives for care workers and service providers.

Malaysia has been progressively strengthening legal frameworks for equality, introducing reforms to enhance protections against gender-based discrimination and violence. The Anti-Stalking Law 2023 (Section 507A of the Penal Code) criminalises both physical and online stalking, including the use of hidden cameras and remote surveillance, with penalties of up to three years' imprisonment, fines or both.

Combatting gender-based violence remains a national priority, with a focus on stricter law enforcement, enhanced survivor support services and sustained public awareness campaigns centred on the Domestic Violence Act 1994 and its 2012 and 2017 amendments, expanding the definition of domestic violence and strengthening protection mechanisms. In enhancing legal frameworks, the Government has appointed Gender Focal Points (GFP) in all ministries and agencies to ensure the effective implementation of gender equality initiatives through gender mainstreaming.<sup>51</sup>

The Anti-Sexual Harassment Act 2022 offers a broad legal definition of sexual harassment including verbal, non-verbal, visual and physical forms in various settings, including the workplace, educational institutions and public spaces. The act establishes a tribunal to handle complaints of sexual harassment, offering a more accessible and less intimidating avenue for victims to seek justice, mandates rehabilitation and enforces confidentiality protections.

The Employment Act 1955 was amended to strengthen gender equality and better protect women's rights in the workplace. The amendment, effective from January 2023, has increased the duration of maternity leave to 98 days up from 60, providing better support for working mothers. It also introduced paternity leave of seven days for married male employees. The Act also includes provisions that prohibit discrimination against employees based on gender, ensuring equal treatment in the workplace.

This provision prohibits employers from dismissing female employees due to pregnancy or pregnancy-related illness reinforcing protections against discriminatory dismissal.<sup>52</sup> Additionally, employers are now required to implement clear procedures for addressing sexual harassment in the workplace, ensuring that complaints are handled effectively and action is taken to safeguard affected employees.

To enhance women's participation in the private sector, Malaysia has introduced initiatives aimed at promoting family-friendly work environments.

These include the promotion of flexible working arrangements, such as remote work, staggered hours and reduced-hour schemes, which help women balance professional and caregiving responsibilities. In addition, the provision of childcare facilities at or near the workplace, including through incentives for employers to establish on-site crèches, supports working mothers in maintaining employment. These measures are complemented by tax reliefs and matching grants under national budgets to encourage private sector uptake. Collectively, these efforts aim to reduce structural barriers that hinder women's sustained engagement in the formal economy.<sup>52</sup>



#### Chapter Two: Progress on the People Pillar

Malaysia's PEKERTI continues to guide efforts. The PEKERTI reproductive health 2022-2025 framework expansion includes the provision of contraception, safe pregnancy termination services within legal limits and comprehensive sexuality education enabling women to make informed decisions about their health. According to national health statistics, more than 95% of pregnant women received antenatal care including regular check-ups, screenings and health education,<sup>54</sup> and over 98% of births between 2022 and 2024 were attended by skilled health personnel. Postnatal care coverage improved, with a growing number of mothers receiving check-ups within six weeks of delivery. Data also indicates an increase in contraceptive use among women of reproductive age,

contributing to improved family planning outcomes.

Malaysia's reform agenda emphasises addressing disparities affecting vulnerable children, particularly those impacted by malnutrition and limited access to fulfilling basic needs. A range of targeted programmes has been introduced reflecting a commitment to equity, reaching the most disadvantaged (see Box Article 2.1). School feeding programmes help ensure children receive adequate nutrition during school hours, particularly among low-income populations. Complementary community-based nutrition efforts build knowledge and skills among families to promote healthier eating practices at home.

Table 2.6: SDG 5 Status and Progress by Selected Indicators (2021-2023)

| Tar | get (in brief)   | brief) Indicator   |   | Natio<br>Perfo |       |       |
|-----|--|--|---|----------------|-------|-------|
|     |  |  |   | 2021           | 2022  | 2023  |
| 5.2 | Eliminate all forms of<br>violence against all women<br>and girls in the public and<br>private spheres, including<br>trafficking and sexual and<br>other types of exploitation | 5.2.1: Proportion of ever-partnered women<br>and girls aged 15 years and older<br>subjected to physical, sexual or<br>psychological violence by a current or<br>former intimate partner in the previous 12<br>months, by form of violence and by age | Number of domestic<br>violence cases,<br>female victim,<br>Malaysia (Proxy)                                       | 5,131          | 4,762 | 4,294 |
|     |  |  | Proportion of seats<br>held by women in<br>national<br>parliaments,<br>Malaysia (house of<br>Representatives) (%) | 14.9           | 13.5  | 13.5  |
| 5.5 | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life                 | 5.5.1: Proportion of seats held by women in (a) national parliaments and (b) local governments   | Proportion of seats<br>held by women in<br>national<br>parliaments,<br>Malaysia (Senate)<br>(%)                   | 18.2           | 14.8  | 16.1  |
|     |  |  | Proportion of seats<br>held by women in<br>Local Authority<br>Councillors (%)                                     | 18.2           | 18.6  | 19.7  |
|     |  | 5.5.2: Proportion of women in managerial positions   | Proportion of<br>women in<br>managerial<br>positions in<br>Malaysia (%)   | 23.2           | 23.8  | 25.4  |

#### Persons with Disabilities

The rights of PWD to equal opportunity, non-discrimination and accessible environments are enshrined in the Persons with Disabilities Act 2008. In addition, efforts are underway to further align national legislation with the UN Convention on the Rights of Persons with Disabilities (CRPD). Malaysia works to expand PWD opportunities in the foundational areas of education and employment.

Malaysia practices both mainstreaming and inclusion for children with specific educational needs through the Special Education Integration Programme (PPKI) that places students with learning difficulties or disabilities in separate classrooms within national schools, and the Inclusive Education Programme (PPI) which places students with disabilities in mainstream classroom settings. Data shows a steady increase in special education teachers at the secondary level.

The Malaysian government has implemented a policy requiring that at least 1% of public sector positions be allocated to PWD. There has been a 3.5% rise in the number of civil servants with disabilities between 2022 and 2023. The Government's Job Coach Service Programme (PPJC) is designed to support PWDs in securing and maintaining employment in the open job market, while the OKU Talent Enhancement Programme (OTEP) aims to equip PWD with the skills needed to secure job placements and enhance their productivity. Between 2020 and 2024, 70,566 PWD jobseekers successfully secured employment through government initiatives.<sup>55</sup>

Registered PWD are issued a special provision card, *Kad OKU*, which provides access to healthcare benefits, public transport discounts and employment benefits. Monthly assistance of RM450 is provided to PWD who earn RM1,500 or less while RM300 monthly is provided for those PWD unable to work. Employers who hire PWD are allocated a monthly incentive of RM600 per PWD for a three-month period.<sup>56</sup>

RM1.2 billion was allocated under the 2024 Budget to assist PWD, including increasing the allowance for disabled trainees in community-based rehabilitation programmes and establishing an RM50 million financing facility to support PWD micro-entrepreneurs.<sup>57</sup> The Government has also launched a digital literacy empowerment programme for PWD in 2023, aimed at strengthening digital skills and ensuring that PWD are not excluded from digital spaces. This initiative connects PWD with public agencies and aligns with broader national development goals under *Ekonomi MADANI*.



#### **Older Persons**

From 2022 to 2025, policies have been implemented and strengthened to ensure older persons can live with dignity and access appropriate care. The 12MP places emphasis on protecting the rights of older persons, including the development of an integrated long-term care framework that combines healthcare, social services and community-based support. Community-based models are being prioritised, with the expansion of activity centres for senior citizens (PAWE) and home help services. The Government supports caregiver training and capacity building among healthcare professionals to ensure quality and age-appropriate care.

Financial support for older persons has been expanded under the 2025 Budget, which allocates over RM10,000 annually through the Rahmah Cash Contribution and Basic Assistance (STR and SARA) programmes. Monthly assistance under the Department of Social Welfare (JKM) has increased from RM500 to RM600, and tax relief measures now cover vaccination costs, elderly care-related medical expenses and childcare allowances extended to eldercare.

The National Action Plan for Senior Citizens (NAPSrC) was introduced in 2011 and updated in 2023 to better address the evolving needs of Malaysia's ageing population. It reinforces the strategies outlined in the 12MP, focusing on integrated healthcare, social protection, and community-based services. The Government is currently drafting a Senior Citizens' Bill aimed at strengthening legal protections and welfare provisions for older persons, complementing existing policies like the NAPSrC.58 It has also launched the Elderly Healthcare Services Action Plan 2023-2030 and the Dementia Action Plan 2023-2030 to enhance healthcare services for older persons, focusing on integrated care models and addressing the specific health needs of the ageing population.59



#### **Indigenous Communities**

Budget 2025 increased the allocation for Orang Asli communities to RM380 million, up from RM333 million in the previous year. This amount is allotted to funding for education, socioeconomic development and infrastructure projects, as well as the provision of social assistance.<sup>60</sup> In the same year the Government launched the Orang Asli Agriculture Modernisation Programme to improve the income and competitiveness of Orang Asli farmers through equipment aid, infrastructure development and agricultural integration assistance.<sup>61</sup> An entrepreneurship and cooperatives development programme run by JAKOA has been implemented to issue entrepreneur assistance grants to build business premises, and cash assistance of RM170 monthly is being given to over 2,000 recipients under an oil palm replanting initiative. This framework of initiatives has led the Government to target a 40% increase in Orang Asli household incomes by 2030.

Working to address the dropout rate in indigenous communities which is higher than the national average, the Government has introduced several initiatives to improve educational outcomes: Orang Asli secondary school students with good academic results are given priority admission into Majlis Amanah Rakyat (MARA) higher educational institutes with full scholarships,<sup>62</sup> and indigenous youths are being encouraged to participate in TVET pathways to access broader career paths.<sup>63</sup> In 2025, only 40 Orang Asli students have enrolled in MARA junior colleges, although JAKOA has made it a key goal to increase this number.<sup>64</sup> In collaboration with UNDP, the Government has also supported the implementation of a microgrant facility to help youths in indigenous communities pilot, implement and scale-up community-based initiatives to manage, conserve and protect the environment to achieve overall livelihood improvements.<sup>65</sup>



#### **Challenges and Way Forward**

Malaysia has made steady progress in addressing structural barriers that impact vulnerable communities. Building on the gains of the 12MP and its MTR, national policies are increasingly oriented towards targeted and responsive delivery. While data gaps remain, particularly with regard to disaggregated indicators, ongoing efforts to develop systems such as PADU aim to improve visibility of vulnerable groups and strengthen decision-making across all levels of government. Cross-agency collaborations continue to enhance access to education, healthcare and legal documentation for stateless persons, refugees, and communities in remote areas, underscoring a strong national commitment to equity and accessibility.

Malaysia is also intensifying efforts to advance gender equality. Although women remain underrepresented in leadership roles across sectors, renewed momentum signals change. The government continues to promote flexible work arrangements, support women-led businesses, and strengthen sexual and reproductive health rights.

In education, significant progress has been made in improving enrolment and retention, especially for girls and young women. However, disparities persist in rural and remote areas. The government remains committed to strengthening early education, special needs education and teacher training, including through expanded access to TVET and digital learning.

Malaysia continues to scale up support for PWD through strengthened policies and inclusive employment pathways. Amendments to the Persons with Disabilities Act are expected to reinforce legal protections, <sup>66</sup> particularly in the areas of accessibility and enforcement. The ageing population presents both challenges and opportunities. The government has also taken steps to improve eldercare through the expansion of PAWE centres, caregiver training and investments in community-based support models. The forthcoming Senior Citizens Bill will institutionalise rights and protections, while the Social Work Profession Bill will strengthen the regulatory framework for social services. <sup>67</sup>

Efforts to uplift indigenous communities are being strengthened through tailored strategies that use a blended approach of infrastructure upgrades, cultural heritage preservation and strengthening access to quality education. Anticipated amendments to the Orang Asli Act 1954, drafted using input from engagement sessions with Orang Asli village leaders, will modernise legal approaches to land issues, community economy, education and housing.<sup>68</sup> Strengthening primary education access for children in remote areas and those with disabilities remains a national priority, with ongoing efforts to improve resources, infrastructure and teacher capacity in underserved regions (see Box Article 2.4).

Malaysian's policy agenda continues to be shaped by a commitment to equity, resilience and shared progress. Strengthening inclusive systems and addressing persistent gaps will be key to fully realising SDG achievement. Coordinated actions and sustained investments will be intensified to ensure that no community is left behind.



# BOX ARTICLE 2.1: CONCERTED EFFORTS TO REDUCE DOUBLE MALNUTRITION ISSUES

Malaysia is committed to combatting malnutrition and promoting healthier eating habits by implementing a range of policies, education programmes and feeding initiatives. One such policy is the excise duty on sugar-sweetened beverages, which initially applied to ready-to-drink beverages that contained five or more grammes of sugar per 100ml. Introduced in 2019 at a rate per litre of RM0.40, it was raised to RM0.50 in 2024 and RM0.90 in 2025. The scope of the tax was also expanded in 2024 to include premixed preparations.

In parallel, the Ministry of Education (MOE) has reinforced a national policy banning the sale of junk food within schools and in surrounding nearby surrounding areas, further reducing children's exposure to unhealthy dietary options. In 2024, the Government launched the Healthy Eating Campaign, aimed at reinforcing nutritional awareness and behavioural change among students.

Leveraging off public-private partnership, companies concerned with rising medical and insurance costs have partnered with the government to curate teaching resources for integrating nutrition and well-being concepts into school curricula. Additionally, the Nutrition Society of Malaysia contributes through the Malaysian School Child Nutrition Promotion Programme (MySNPP), which delivers intensive nutrition education and provides nutritious meals to students. MySNPP is currently being piloted in several schools in Johor.

To ensure lasting impact, Malaysia has implemented feeding programmes that support children's nutritional needs at different stages of development:

- The First 1,000 Days of Life Programme emphasises proper nutrition and psychological stimulation for mother and child from pregnancy until the age of two. This recognises the critical window for long-term health and cognitive development. Complementing this effort, the HER initiative supports maternal nutrition and pregnancy preparation to improve health outcomes for mothers and infants.
- Preschool Food Aid (BMP) provides nutritious meals for children aged four to six in public
  preschools. This initiative not only addresses malnutrition and multidimensional poverty but also
  introduces children to healthy eating habits early in life. Under Budget 2023, BMP funding
  increased from RM89 million to RM108 million, benefiting approximately 240,000 students.
- The Supplementary Food Programme (RMT) extends government-funded food aid to eligible primary school students, such as children from rural areas, registered as PWD or households below the poverty line. In Budget 2024, the RMT allocation increased to RM870 million, benefiting approximately 860,000 students.
- The Healthy Meals Programme (HiTS) promotes a collaborative approach involving parents, teachers and school boards to ensure the provision of nutritionally balanced meals. Parents contribute voluntarily to a standardised meal plan which includes adequate portions of fruits and vegetables to support healthy growth. As of 2024, 210 schools nationwide have adopted HiTS, with the highest participation recorded in Johor.

Additionally, the National Strategic Plan to Combat the Double Burden of Malnutrition (2023-2030) takes a multi-sectoral approach involving the Government alongside the private sector and NGOs. Achieving SDG 2 requires a coordinated, cross-sector approach, linking efforts across SDG 1, SDG 4, SDG 8, SDG 10, and SDG 17. Through multi-agency cooperation and evidence-based policymaking Malaysia can ensure better health outcomes for future generations.

# BOX ARTICLE 2.2: IMPROVING UNIVERSAL HEALTH COVERAGE IN MALAYSIA THROUGH HEALTH REFORMS

Future-proofing the health system requires strong government commitment towards continuous improvement in policy and practice to make the health system more resilient, sustainable and agile to shocks and demand of population needs.

Malaysia is now facing various challenges which will exert greater demand on healthcare resources in the country. These include new emergence and re-emergence of communicable diseases, rising non-communicable diseases, an ageing population, social determinants of health, planetary health issues and inadequate healthcare funding. The Government is prioritising continuous policy and structural reforms to ensure long-term healthcare resilience. These reforms are outlined in Malaysia's Health White Paper 2023, a 15-year roadmap for restructuring healthcare service delivery, financing and governance to create a more efficient and sustainable healthcare system capable of adapting to future health crises and demographic shifts.

Malaysia is fully committed to getting UHC on track for 2030 by implementing health reforms that ensure everyone has full access to essential healthcare services.





# BOX ARTICLE 2.3: GENDER RESPONSIVE BUDGETING TO UNLOCK EQUAL OPPORTUNITIES

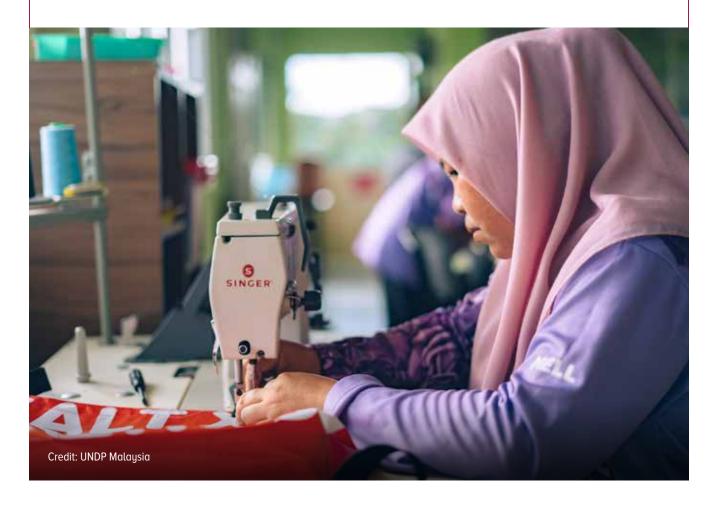
Credit: Women's Aid Organisation (WAO)

Gender-responsive budgeting (GRB) is a strategy to ensure that public budgeting processes incorporate gender perspectives and address gender inequality. This approach ensures that all legislation, policies and programmes consider the differentiated impacts on women and men, leading to more inclusive and equitable governance. Malaysia has been advancing gender-responsive policymaking since 2003 when it formally adopted gender mainstreaming as a national strategy. A key outcome of this strategy was the appointment of GFP across all ministries, which helped institutionalise gender-sensitive policy making. In parallel, GRB was introduced through capacity-building initiatives in selected ministries, recognising the critical role of fiscal policies in addressing inequalities and promoting gender equality.

MOF has played an important role in institutionalising GRB through the issuance of Budget Call Circulars. This mandates other ministries report gender-disaggregated data and conduct gender analysis when drafting budget proposals. In Budget 2022, MOF partnered with CSOs to launch the Gender-Responsive Budgeting in Practice (GRBiP) capacity-building programme developed by the Gender Budget Group, a coalition of CSOs and academics. This initiative aligns with SDG targets that track government efforts to integrate gender equality into public financial management through its annual gender lens analysis of the Budget. This collaboration between MOF and CSOs has strengthened capacity-building efforts and the integration of gender perspectives in budget planning, ensuring that progressive and gender-sensitive measures are increasingly reflected in the national budget.

In addition to national efforts, GRB has gained traction at the sub-national level, with Penang pioneering gender-responsive participatory budgeting and Selangor adopting gender mainstreaming initiatives. The impact of GRB-led reforms is evident in several key policy shifts:

- Social Protection for Single-Parent Families: Welfare for single mothers initially excluded single fathers, single mothers without formal marital documentation and grandparent-headed households. Now, the national child aid programme (Bantuan Kanak-Kanak or BKK) has expanded eligibility to previously excluded groups, ensuring broader social protection coverage.
- Housewives' and Househusbands' Social Security: The Employees Provident Fund (EPF) i-SURI scheme allows homemakers to contribute to their retirement funds, while i-Sayang has been expanded to allow working women to contribute to their househusband's EPF account and working men to contribute to their housewife's EPF account. This reflects a shift towards acknowledging the economic value of unpaid care work, and was introduced in response to the rising number of men (69,000 in 2017) who exited the labour force due to caregiving responsibilities.
- **Empowering Women Entrepreneurs**: Budget 2025 has reaffirmed the Government's commitment to gender-responsive economic policies. Targeted measures to enhance financial access, business support and training opportunities for women entrepreneurs are included.
- **Expanding GRB Capacity-Building Efforts**: Recognising the need for stronger institutional frameworks, Budget 2025 also prioritises continued GRB training across ministries. This ensures that gender considerations are embedded into budget planning and decision-making processes.





#### **BOX ARTICLE 2.4: MALAYSIA'S COMPREHENSIVE SPECIAL MODEL SCHOOLS**

Aligned with SDG 4, the MOE has implemented innovative school models that address the risk of student dropout in remote, indigenous and vulnerable communities. One initiative is the Comprehensive Special Model School 9 (K9), which integrates primary and lower secondary education within a single institution. The K9 model offers a seamless nine-year educational pathway, which encompasses six years of primary schooling (Year 1–6) and three years of lower secondary schooling (Form 1–3). This approach reduces the dropout risks associated with school transitions, supports continuity in learning and encourages long-term student development in a familiar environment.

Launched in 2009, the K9 schools' initiative was first introduced in the Long Bedian National Primary School located in the Baram district of Sarawak. The initiative was subsequently expanded to strategically selected rural and interior locations across Malaysia. As of January 2025, 28 K9 schools are in operation, serving approximately 9,352 students and supported by a total of 898 teachers. An additional five K9 schools are planned for implementation in 2025.

A notable feature of the K9 model schools is the provision of boarding facilities, which significantly alleviate the financial and logistical burdens faced by families in remote areas. In regions such as the interior of Sabah and Sarawak, where students often travel more than 100 km to attend secondary school, K9 schools provide a safe and cost-effective alternative that helps keep children in school.

Building on the success of the K9 model, the MOE introduced the Comprehensive Special Model School 11 (K11), which extends this integrated approach to encompass upper secondary education (Form 4 and Form 5), enabling students to complete the full 11-year general education cycle under one roof.

The K9 school model reflects Malaysia's strong commitment to addressing systemic inequalities in education access and is designed to respond to the realities of rural communities. Scalable and context-responsive, it offers a practical solution that may be adapted by other countries facing similar challenges in reaching students in rural or underserved areas. It stands as a significant example of how inclusive, community-sensitive policies can bridge equity gaps and deliver on the global promise of quality education for all.

PROGRESS ON THE

# **Prosperity Pillar**



#### Chapter Three: Progress on the Prosperity Pillar

The Prosperity Pillar is highlighted through two key themes: Productive Economy and Prosperity (SDG 8 and SDG 9) and Enabling Inclusive, Balanced and Sustainable Development for Decent Living (SDG 7, SDG 10 and SDG 11).

Figures 3.1, 3.2 and 3.3 provide snapshots of real GDP, labour productivity, income distribution, gender participation in the labour force and energy access.

Figure 3.1: Overview of Status and Progress for Theme One (Prosperity Pillar)

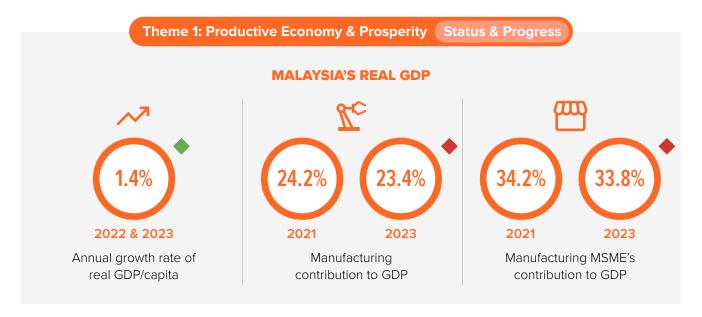


Figure 3.2: Overview of Status and Progress for Theme One (Prosperity Pillar)

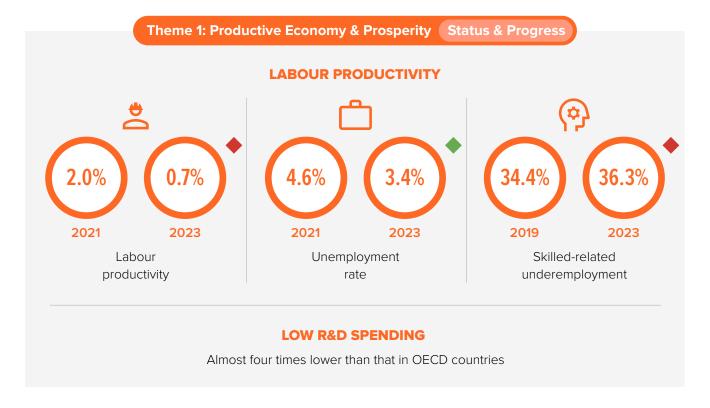
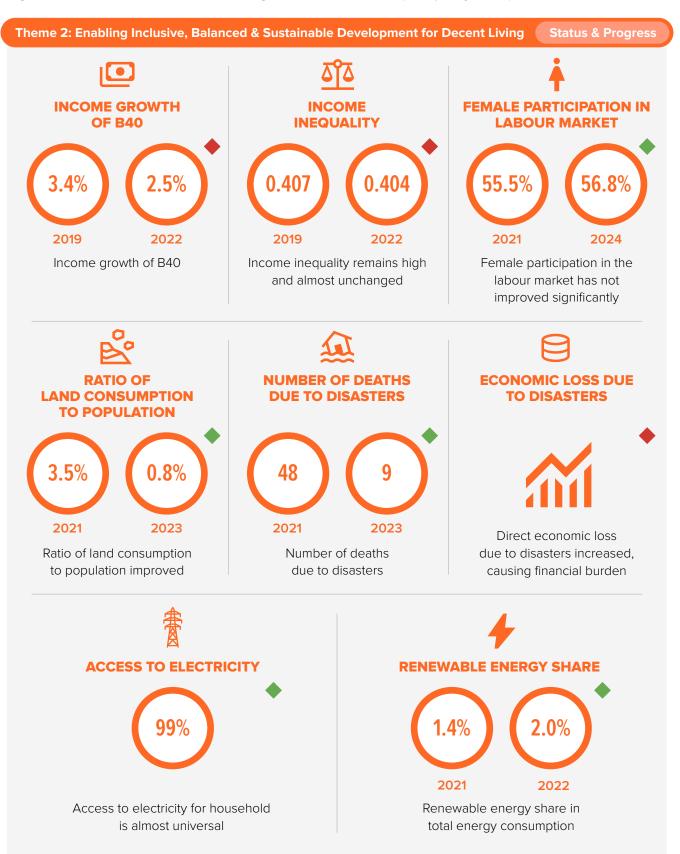


Figure 3.3: Overview of Status and Progress for Theme Two (Prosperity Pillar)



Source: DOSM, SDG Dashboard

## THEME 1: **PRODUCTIVE ECONOMY AND PROSPERITY**

Malaysia is committed to a resilient economy aligned with SDG 8 and SDG 9. These goals emphasise decent work, employment protection and thriving industry, infrastructure and innovation. Malaysia's economy has rebounded since the COVID-19 pandemic. GDP growth in 2024 reached 5.1%, up from 3.3% in 2021,<sup>69</sup> with improvements in employment and economic wellbeing across several indicators.

New opportunities have emerged to advance inclusive, balanced growth and greater prosperity. Regional disparities in economic development have been addressed through targeted investments in job creation and infrastructure, particularly in underdeveloped states. Efforts to strengthen labour market participation including raising the female labour force participation rate (LFPR), aligning graduate skills with industry demands and supporting an ageing workforce can unlock significant opportunities. The post-pandemic recovery period provided a strong platform to implement forward-looking strategies and build a more resilient, equitable economy.

#### **Status and Progress**

#### **Growth and Key Economic Sectors**

From 2021 to 2024, Malaysia's economy grew at an average annual rate of 5.2%, reaching a GDP of RM1.65 trillion<sup>70</sup> (USD369.4 billion)<sup>71</sup> in 2024, making it the fourth largest economy in ASEAN and 13th in Asia. Gross National Income (GNI) per capita increased by 23.7% to RM52,991 (USD11,621) in 2023, compared to RM42,838 (USD10,200) recorded in 2020, placing Malaysia in the upper-middle-income category. The economy is primarily driven by manufacturing (23.2% of GDP) and services (59.3% of GDP), which grew by 5.6% and 5.9% per annum respectively.<sup>72</sup> Tourism has strongly rebounded post-pandemic, generating RM120.5 billion in 2023 (up from RM7.3 billion in 2021) and the Tourism Direct GDP share increased from 12.8% to 15.1%. It remains a key foreign exchange earner and major employer, employing 3.4 million people in 2023 or one in five workers.<sup>73</sup> Malaysia is now at 23rd place for the World Competitiveness Ranking 2025, up from 34th placing last year. Table 3.1 presents SDG 8 status and progress by selected indicators.



Table 3.1: SDG 8 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  | Indicator  |   |       | nal<br>mance | e     |
|-------------------|--|------------|---|-------|--------------|-------|
|                   |  |            |   | 2021  | 2022         | 2023  |
| 8.1               | Sustain per capita economic growth   | 8.1.1      | Annual growth rate of real GDP per capita (%)   | 2.9   | 8.5          | 1.4   |
| 8.2               | Productivity through diversification, technological upgrading and innovation                   | 8.2.1      | Annual growth rate of real GDP per employed person (%)  | 2.0   | 5.6          | 0.7   |
| 8.3               | Promote development-<br>oriented policies that<br>support job creation and<br>entrepreneurship | 8.3.1      | Share of informal employment to total employment in non-agricultural (%)  | 19.0  | N. A         | 19.8  |
| 8.4               | Enhance resource<br>efficiency and decouple<br>growth from<br>environmental harm.              | 8.4.2      | Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP (Fossil Fuel Per GDP)  | 31.0  | 28.6         | N. A  |
| 0.5               | Ensure full, productive  | 8.5.1      | Mean monthly salaries & wages of employees (RM)   | 3,049 | 3,219        | 3,441 |
| 8.5               | employment, decent work and equal pay.   | 8.5.2      | Unemployment rate (%)   | 4.6   | 3.9          | 3.4   |
| 8.6               | Substantially reduce youth not in employment, education or training.                           | 8.6.1      | Youth not in education, employment or training (%)  | 9.3   | 10.2         | N. A  |
|                   |  | 8.8.1 (a)  | Incidence of occupational injury rate (per 100,000 workers)   | 143   | 222          | 246   |
|                   |  | 8.8.1 (b)  | Incidence of fatal injury rate (per 100,000 workers)  | 2.00  | 2.06         | 2.05  |
| 8.8               | Safeguard labour rights and ensure safe, secure  | 8.8.1 (c)  | Incidence of non-fatal injury rate (per 100,000 workers)  | 141   | 220          | 244   |
|                   | work environments.   | 8.8.2      | Level of national compliance of labour rights (freedom<br>of association and collective bargaining) based on<br>International Labour Organization (ILO) textual sources<br>and national legislation, by sex and migrant status<br>(Score) | 5.1   | 5.6          | NA    |
| 8.9               | Develop sustainable<br>tourism that creates jobs<br>and promotes local<br>culture.             | 8.9.1 (a)  | Growth rate of Tourism Direct Gross Domestic Product (TDGDP) (%)  | 0.8   | 2.7          | 4.5   |
|                   |  | 8.10.1 (a) | Number of commercial bank branches (Per 100,000 adults)   | 8.5   | 8.2          | 8.1   |
| 8.10              | Expand access to banking, insurance and financial services for all.                            | 8.10.1 (b) | Number of automated teller machines (ATMs) (Per 100,000 adults)   | 52.8  | 51.7         | 51.8  |
|                   |  | 8.10.2     | Adults with an account at a financial institution or mobile-money-service provider (%)  | 95.7  | 96.9         | 97.2  |
| 8.a               | Enhance trade support and technical assistance for developing countries.                       | 8.a.1      | Aid for Trade commitments and disbursements   | 5.7   | 5.1          | N. A  |
|                   |  |            |   |       |              |       |

Source: DOSM, SDG Dashboard

#### **Labour Productivity**

Economic growth benefited Malaysian workers with the average salary rising 6.2% to RM3,441 between 2021 and 2023 and unemployment falling from 4.6% to 3.4%. During this period, 988,000 employed persons were added to the workforce. The unemployment rate continued to decline, reaching 3.0% in April 2025 marking its lowest in a decade. Labour productivity grew by 3.1%, exceeding the average growth in the Organisation for Economic Co-operation and Development (OECD) (0.2%), high-income (0.4%) and upper-middle-income countries (2.8%).<sup>74</sup>

#### **Economic Well-Being for Citizens**

Effective February 2025, the national minimum wage was increased to RM1,700 from RM1,500 per month, benefiting approximately 4.4 million workers.<sup>75</sup> Cash transfer programmes low-income groups continued, benefiting up to 60% of adults, with allocations of RM6.5 billion (2021), RM8 billion (2022), RM7.8 billion (2023) and RM10 billion (2024).<sup>76</sup> The Government has maintained cost-of-living support on utilities and energy alongside other targeted measures,<sup>77</sup> with allocations in the 2025 Budget of RM2.4 billion for electricity subsidies, RM12 billion for fuel subsidies and RM700 million for food.<sup>78</sup> Additionally, RM55 million was allocated for the Electricity Bill Rebate Programme, RM300 million for Jualan Rahmah (subsidised essential goods) and RM250 million for the distribution of essential goods in rural areas.79

#### **Advancing Economic Value Chains**

Malaysia aims to transition its economy to High Growth High Value (HGHV) industries and is showing progress on this front, with medium- and high-tech manufacturing production rising to 49.5% of total manufacturing value added in 2023 from 47.1% in 2021. Accelerating technology adoption and boosting investment in Research and Development (R&D) are key success factor and will be further prioritised. With high-tech manufacturing contributing 8.1% to GDP in 2021 below the 15% benchmark, there remains considerable potential for expansion. By

strengthening the industrial value chain and fostering innovation across sectors, Malaysia is well-positioned to elevate its global competitiveness and drive sustainable, high-value industrial development. Moving up the value chain will also address skill-related underemployment by creating high-value, better-paying jobs, thereby contributing to poverty reduction and narrowing income inequality. These efforts are critical to the achievement of SDG 9 (Table 3.2).



Table 3.2: SDG 9 Status and Progress by Selected Indicators (2021-2023)

| _    | Target (in brief)  |           | S. 100  | National P | erformance | 9       |
|------|--|-----------|---|------------|------------|---------|
| ıarş |  |           | Description   | 2021       | 2022       | 2023    |
|      |  | 9.1.1     | Rural population who lives within 2 km<br>of an all-season road, Peninsular<br>Malaysia (%)                                 | 92.1[2020] | NA         | NA      |
|      |  | 9.1.2 (a) | Number of passengers by rail services (Million)   | 0.3        | 2.7        | 4.7     |
| 9.1  | Develop sustainable, resilient, inclusive infrastructure for all.                | 9.1.2 (b) | Number of passengers at airport (Million)   | 11.0       | 54.7       | 86.8    |
|      |  | 9.1.2 (c) | Freight volumes and containers handled by KTMB (Tonnes '000)  | 4,793      | 6,014      | 5,207   |
|      |  | 9.1.2 (d) | Cargo handled by airport (Tonnes)   | 1,008,074  | 1,060,527  | 928,933 |
|      |  | 9.1.2 (e) | Cargo throughput by port (Tonnes '000)  | 591,489    | 567,644    | 586,565 |
|      |  | 9.2.1 (a) | Manufacturing value added per capita (RM)   | 10,336     | 11,136     | 10,978  |
| 9.2  | Promote sustainable industrialization; raise industry employment and GDP.        | 9.2.1 (b) | Share of manufacturing value added to GDP per capita (%)  | 24.2       | 24.0       | 23.4    |
|      |  | 9.2.2     | Manufacturing employment as a proportion of total employment (%)  | 16.7       | 16.5       | 16.4    |
| 9.3  | Increase small-scale<br>enterprises' access to finance                           | 9.3.1     | Share manufacturing value added of SMEs to GDP (%)  | 34.2       | 33.5       | 33.8    |
| 5.5  | and markets.   | 9.3.2     | Small and Medium Enterprise (SME) with a loan or line of credit (%)   | NA         | 28.5       | NA      |
| 9.5  | Enhance research and industrial technological                                    | 9.5.1     | Research and development expenditure as a proportion of GDP (%)   | 1 [2020]   | NA         | NA      |
|      | capabilities globally.   | 9.5.2     | Researchers per million inhabitants   | 704 [2020] | NA         | NA      |
| 9.a  | Finance and tech support for sustainable infrastructure in developing countries. | 9.a.1     | Official international support (official development assistance plus other official flows) to infrastructure (USD Millions) | 101.5      | 45.9       | NA      |
| 9.b  | Support domestic technology development and industrial innovation capacity.      | 9.b.1     | Medium and high-tech industry value added ratio in total manufacturing value added (at constant prices) (%)                 | 47.9       | 49.8       | 49.5    |
| 9.c  | Expand affordable ICT and internet access in least developed countries.          | 9.c.1     | Population covered by a mobile network (%)  | 98.5       | 98.6       | 98.6    |

Source: DOSM, SDG Dashboard

#### **Present Efforts**

The 12MP prescribed targeted policies and measures from 2021 to 2024 to ensure economic expansion, inclusive and sustainable growth and strengthen resilience. Table 3.3 outlines national blueprints and strategies aligned with Theme One.

Table 3.3: National Blueprints and Strategies Relevant to Theme One

| Policies  | Purpose  |
|---|--|
| Malaysia<br>Digital<br>Economy<br>Blueprint<br>(MyDIGITAL)<br>(2021-2030) | <ul> <li>Transform Malaysia into a digitally driven, high-income nation, with key initiatives to enhance digital<br/>literacy, strengthen cybersecurity frameworks and digital infrastructure, and increase adoption of digital<br/>technologies in public and private sectors.</li> </ul>   |
| New<br>Industrial<br>Master Plan<br>(NIMP)<br>(2030)                      | <ul> <li>Drive economic complexity, embrace digital transformation, address climate change, and safeguard<br/>economic security and inclusivity. For the creation of 3.3 million job opportunities, and increase monthly<br/>median salary to RM4,510 by 2030.</li> </ul>  |
| National<br>Fourth<br>Industrial<br>Revolution<br>(4IR)                   | <ul> <li>Leverage emerging technologies to elevate Malaysia's economic status by advancing existing competitive advantages, among its key initiatives are promoting the integration of 4IR technologies such as AI, IoT, and robotics in various sectors, strengthening the innovation ecosystem to support research and development activities, and establishing conducive regulatory frameworks to facilitate technological advancements.</li> </ul>   |
| National<br>Trade<br>Blueprint<br>(NTBp)<br>(2021-2025)                   | Boost Malaysia's position in global trade, with key measures to enhance export competitiveness, diversify export markets and products, and support small and medium enterprises (SMEs) in international trade  |
| Low Carbon<br>Mobility<br>Blueprint<br>(LCMB)<br>(2021-2030)              | <ul> <li>Reduce greenhouse gas emissions in the transportation sector, through the promotion of electric vehicles<br/>(EVs) via tax incentives and public transportation, reducing subsidies for diesel (implemented in 2024) and<br/>Ron95 (slated in 2025), and rolling out EV infrastructure (i.e. charging stations).</li> </ul>   |
| National<br>Energy<br>Policy<br>(2022-2040)                               | <ul> <li>Transition to sustainable energy, via increasing the share of renewable energy in the energy mix, reducing reliance on fossil fuels, and fostering energy efficiency and conservation initiatives. The government has also launched the Aviation Decarbonisation Plan (2024), with a focus on achieving net-zero carbon emissions in the aviation sector by 2050 through the use of sustainable aviation fuels, promoting advanced aircraft technologies and implementing carbon offset schemes.</li> </ul> |



Malaysia continues to strengthen its position in trade through targeted economic agreements and industrial policies. The ratification of the Regional Comprehensive Economic Partnership (RCEP) in 2022, currently the world's largest free trade agreement, has expanded market access and deepened regional integration. This was followed by Malaysia's full participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2023, boosting access to high-value export markets. Malaysia joined BRICS+ as a partner country in 2024.80 Representing nearly half the global population and a third of global output, BRICS+ offers significant trade and investment potential.

The New Investment Policy (NIP) remains critical in ensuring Malaysia attracts high-value strategic investments aligned with the nation's development goals. Complementing this, HIMP 2030 and NIMP 2030 are advancing Malaysia's global leadership in halal trade and driving inclusive, sustainable industrial transformation.

There are specific policies, guidelines and programmes which support high value-added activities and and innovation, accelerating Malaysia's progress towards a high-income economy. Investments in data centres and Artificial Intelligence (AI) hubs have attracted leading global tech players, with the government approving RM114.7 billion in investments for data centres and cloud services between 2021 and 2023.81 DC Byte's 2024 Global Data Centre Index has identified Johor Bahru as Southeast Asia's fastest-growing data centre market.82 In line with the Malaysia Digital Economy Blueprint and the National Fourth Industrial Revolution Policy, various initiatives have accelerated digital transformation and narrowed the digital divide. Key efforts include the Malaysia Digital initiative and the nationwide expansion of 5G coverage.

Aiming to position Malaysia as a global semiconductor hub, the Government launched the Malaysia Semiconductor Blueprint in 2024. The blueprint targets RM500 billion in investments, the development of advanced chip capabilities and the training of 60,000 engineers.<sup>83</sup> Malaysia has committed USD250 million over ten years to





license advanced chip design technologies from a leading semiconductor manufacturer aiming to shift roles from traditional chip assembly towards full-fledged semiconductor design and production.<sup>84</sup> Complementing these efforts, the National Artificial Intelligence Framework 2024 was introduced to accelerate Al adoption and innovation, with key strategies that includes the establishment of a national Al office, the promotion of foreign investment and the development of a skilled Al workforce.

Malaysia has actively pursued Foreign Direct investment (FDI) to drive economic growth and industrial diversification. From January to September 2023, total approved investments rose by 6.6% to RM225 billion, compared to RM210 billion in the same period of 2022. FDI accounted for 55.9% of this total, amounting to RM125.7 billion, with major contributions from the Netherlands (28%), Singapore (16%), the United States (15%) and China and Japan (9% each). Domestic direct investment (DDI) remained robust, contributing RM99.3 billion (44.1%), a 45.2% increase year-on-year. Investment activity was concentrated inKuala Lumpur, Penang, Selangor, Kedah and Johor, collectively accounting for 60.2% of total approved investments. The approved investment for the year 2024 amounting to RM378.5 billion, increased 14.9% compared to the approved investments in 2023, and represents the highest in the country's history.

Malaysia has established new Special Economic Zones (SEZs) to spur regional development.<sup>87</sup> The Johor-Singapore SEZ aims to strengthen cross-border economic integration and attract investments in advanced sectors, with projected contributions to GDP of up to RM125 billion Johor-Singapore SEZ aims to strengthen cross-border economic integration and attract investments in advanced sectors, with projected contributions to GDP of up to RM125 billion annually over the next decade. The Forest City Special Financial Zone, meanwhile, is designed to catalyse financial sector growth through targeted incentives. By 2030, it is expected to host over 10,000 offices managing assets exceeding RM22.6 trillion, positioning Malaysia as a regional hub for global business services, financial technology and cross-border payment systems.<sup>88</sup>

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# **Challenges and Way Forward**

Between 2021 and 2024, Malaysia's economy recovered strongly from the pandemic, returning to pre-pandemic levels with decreasing unemployment and increasing wages. Despite a low overall unemployment rate (3.0% in April 2025), addressing underemployment and youth unemployment remains a key priority. Skill-related underemployment rose from 34.4% in 2019 to 36.3% in 2023, affecting approximately two million tertiary-educated workers. 90 Youth graduate unemployment also increased from 16.7% in 2020 to 17.6% in 2023. 91

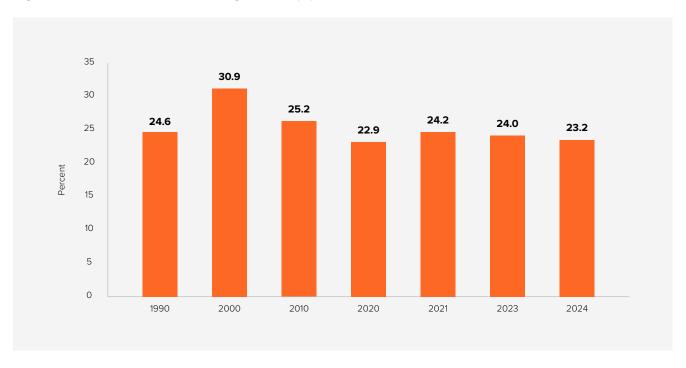
Another challenge is low productivity growth, which was at 2.0% in 2021 and 2.4% in 2024. According to the International Labour Organization (ILO) estimates, Malaysia's labour productivity in 2024 was USD68,775 per worker, about 40% lower than the average of high-income countries (USD117,257). The female LFPR remains below the target of 59%, increasing marginally from 55.3% in 2021 to 56.2% in 2023. In the fourth quarter of 2024, the female LFPR improved to 56.8%.

Improving wage growth and addressing labour market inequalities are important steps toward creating a more inclusive and resilient workforce, especially for women, youth and informal workers. Currently, 29% of workers earn below two-thirds of the national median, of more than double the OECD average of 13.4%. Recent research has also suggested that wages for new entrants into the Malaysian labour market within the private sector have broadly not changed compared to new entrants 20 years prior, although the introduction of the minimum wage has reduced wage inequality across education levels. There is also a growing value of vocational pathway in the labour market, with entry-level wages for TVET graduates growing faster in real terms than those of academic graduates. The Government's efforts through the strategic role played by the Department of Polytechnic and Community College Education (JPPKK) under the Ministry of Education and the Ministry of Youth and Sports' initiative to advance TVET education in reducing youth not in employment, education or training (NEET) are important to equip them with practical skills to enhance employability. Enhancing high-value job creation to boost incomes, expanding social protection measures including injury protection, retirement savings and unemployment assistance must continue.

Total investments have increased, with physical structure investments comprising 51.9 percent of total investments in 2023, outpacing machinery and ICT equipment at 40%, as the composition begins to diversify. This marks a decline from 47.1% in 2005 and reflects ongoing limitations in technology adoption and firm-level innovation. These structural imbalances have constrained productivity gains and competitiveness, particularly in the manufacturing sector. Malaysia's manufacturing share of GDP in 2024 fell below its 1990 level (Figure 3.4), alongside a parallel decline in employment, signalling the need for high-value industrial capabilities. The 12MP and its MTR directly address these challenges by targeting investment quality, revitalising strategic sectors and repositioning Malaysia within global value chains.



Figure 3.4: Share of Manufacturing to GDP (%)



Source: DOSM. 2025. GDP: Fourth Quarter 2024; DOSM. Time Series Data. GDP by Kind of Economic Activity at Constant Prices, 1987-2020.

Malaysia's adoption of advanced technologies and investment in R&D remains low, with R&D expenditure declining from 1.4% of GDP in 2016 to 1.0% in 2020, substantially below the top ten OECD economies, which average 3.5%. Focusing on factors such as strengthening high-value manufacturing and services sectors, enhancing productivity and generating high-value employment, will help Malaysia in advancing up the industrial value chain and unlock greater economic potential towards sustaining global competitiveness.



# THEME 2: ENABLING INCLUSIVE, BALANCED & SUSTAINABLE DEVELOPMENT FOR DECENT LIVING

Reducing inequalities remains central to Malaysia's development agenda, in line with SDG 10. The New Economic Policy (NEP) and subsequent interventions have significantly narrowed disparities, lowering the Gini coefficient in gross income from 0.513 in 1970 to 0.404 in 2022.<sup>103</sup> Progress has been boosted by sustained investments in education, health and targeted support for disadvantaged groups, including financial incentives, access to tertiary education and preferential policies in labour and asset ownership. Bumiputera equity ownership rose from 2.4% in the 1970s to nearly 19% by 2020, alongside increased participation in professional services, contributing to rising incomes among the bottom 40% and reducing overall inequality.

Income inequality within regions and across ethnic groups has been addressed through policies that respond to specific community needs. In Sabah and Sarawak, efforts to boost economic mobility among Bumiputera populations have helped reduce spatial disparities.<sup>104</sup> The income gap within the Bumiputera community is larger than the average gap between Bumiputera and non-Bumiputera, making intra-group inequality a key focus for targeted interventions. Advancing gender equality was also prioritised, narrowing the 25-point gap between male and female labour force participation (one of the highest in East Asia and the Pacific), which has begun to unlock underutilised talent and contribute to broader national prosperity.<sup>105</sup>

Malaysia's commitment to sustainability includes investments in renewable energy, energy efficiency and sustainable urbanisation. Renewable energy initiatives aim to diversify the energy mix and reduce carbon footprints, aligning with SDG 7. Reforms in the energy sector promote greater energy efficient practices and provide universal energy access, while maintaining affordability and reliability. In line with SDG 11, Malaysia prioritises sustainable urbanisation through efforts on resilient, inclusive and environmentally friendly cities. This is supported by smart city infrastructure, public transportation enhancements, green projects and affordable housing.

# **Status and Progress**

# **Persistent Inequality**

The compounded annual growth rate for income among B40 households is at 2.3% (2016-2022), lower than M40 (3.5%) and T20 (3.2%) households. Inequality between ethnic groups exists, such as the widening income gap between Bumiputera and Chinese households from RM2,000 in 2019 to RM2,400 in 2022. Regional disparities, including those between states like Kelantan and Sabah and more developed areas like Kuala Lumpur and Selangor, highlight the need for balanced regional development. Development of the compound of the compound



Table 3.4: SDG 10 Status and Progress by Selected Indicators (2021-2023)

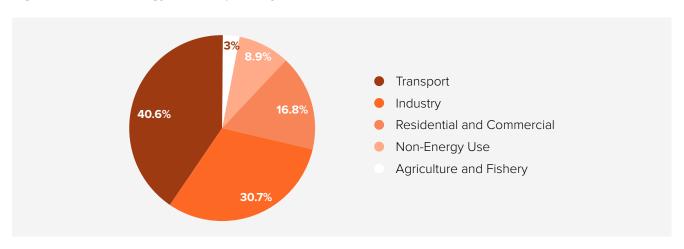
Targ	et (in brief)	Indicator	Description		National Performance		
				2021	2022	2023	
10.1	Boost income growth of bottom 40% faster than national average.	10.1.1	Compounded annual growth rate among Bottom 40 percent of the population and the total population (%)	NA	2.3 [2019- 2022]	NA	
10.2	Promote social, economic and political inclusion for all.	10.2.1	Proportion of households below 50 per cent of median income (%)	NA	16.6	NA	
	Adopt fiscal, wage and social	10.4.1	Compensation of employees by kind of economic activity at current prices (%)	35.1	32.3	33.1	
10.4	protection policies for equality.	10.4.2 (a)	Gini Coefficient (Gross Income per Capita)	NA	0.429	NA	
		10.4.2 (b)	Gini Coefficient (Disposable Income per Capita)	NA	0.417	NA	
10.5	Regulate global financial markets and institutions effectively.	10.5.1	Nonperforming loans to total gross loans (%)	1.7	1.7	1.7	
10.c	Reduce migrant remittance transaction costs below 3 percent.	10.c.1	Remittance costs as a proportion of the amount remitted (%)	2.2	2.7	2.9	

Source: DOSM, SDG Dashboard

# Sustainable and Inclusive Energy

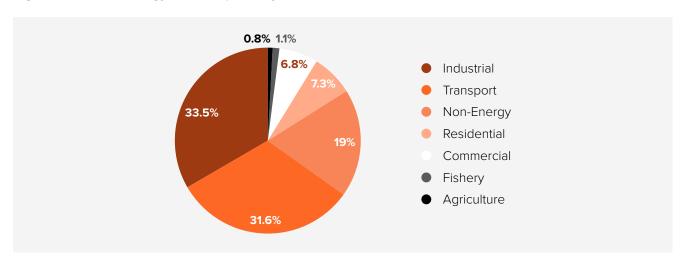
Energy drives economic growth, improves healthcare and education and enhances quality of life. Expanding access to energy creates the foundation for social and economic progress, including poverty eradication and improved living standards. Integrating renewable energy and improving energy efficiency supports climate action by reducing emissions and fostering sustainable industrialisation. Malaysia has reduced energy intensity in its total primary energy supply. Between 2014 and 2022, the amount of energy required to produce one unit of economic output was reduced from 81% to 68.5%. <sup>108</sup>

Figure 3.5: Final Energy Consumption by Sector, 2010



Source: Energy Commission

Figure 3.6: Final Energy Consumption by Sector, 2021



Source: Energy Commission

Malaysia has made significant progress towards SDG 7 (Table 3.5), with 99.7% of the population having access to affordable and reliable energy. Renewable energy installed capacity reached 24.5% while generation accounted for 16.4% in 2022, driven by solar and hydro-energy production.<sup>109</sup>

Table 3.5: SDG 7 Status and Progress by Selected Indicators (2021-2023)

Target (in brief)		Indicator	Description		National Performance		
				2021	2022	2023	
	Ensure universal access to affordable, reliable modern energy by 2030.	7.1.1	Access to electricity (%)	NA	99.7	NA	
7.1		7.1.2	Households by selected household gas/ electric stove equipment owned (%)	NA	98.8	NA	
7.2	Increase renewable energy share globally by 2030.	7.2.1	Renewable energy share in the total final energy consumption (%)	1.4	2.0	NA	
7.3	Double rate of energy efficiency improvement by 2030.	7.3.1	Energy intensity (toe/GDP at 2015 prices)	67.9	68.5	NA	
7.b	Expand sustainable energy infrastructure in developing countries by 2030.	7.b.1	Installed renewable energy-generating capacity in developing countries (watts per capita)	259.6	290.2	NA	

Source: DOSM, SDG Dashboard

# **Sustainable Cities and Communities**

Malaysia has made significant progress on SDG 11, focusing on inclusive, safe, resilient and sustainable cities. Households living in squatter settlements have declined to 0.2% of the urban population<sup>110</sup> and 89.7% of cities support civil society participation in urban planning.<sup>111</sup> Reduced disaster-related deaths and increased solid waste recycling further demonstrate Malaysia's commitment to sustainable urban development (Table 3.6).

Table 3.6: SDG 11 Status and Progress by Selected Indicators (2021-2023)

				National Pe	rformance	
Target (in brief)		Indicator	Description	2021	2022	2023
11.1	Ensure adequate, safe, and affordable housing access.	11.1.1	Urban population living in slums, informal settlements or inadequate housing (%)	0.2 (2020)	N. A	N. A
11.2	Provide safe, affordable, accessible, sustainable transport for all.	11.2.1	Population that has convenient access to public transport (%)	74.1 (2020)	N. A	N. A
11.3	Enhance inclusive	11.3.1	Ratio of land consumption rate to population growth rate	1.2	3.5	0.8
	Enhance inclusive, sustainable urbanization with participatory planning.	11.3.2	Cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically (%)	N. A	89.7	89.7
			a. Deaths attributed to disasters	48	35	9
		11.5.1	c. Affected people with damaged homes attributed to disasters (per 100,000 people)	247,997	199,244	192,593
		11.5.2	Direct agriculture loss attributed to disasters (RM)	27,841,610	154,515,000	120,600,000
			Direct economic loss attributed to disasters (RM)	228,406,502	N. A	755,400,000
11.5	Reduce disaster impacts on lives and economies.		Direct economic loss resulting from damaged or destroyed critical infrastructure attributed to disasters (RM)	200,564,892	232,700,000	380,700,000
			b. Destroyed or damaged educational facilities attributed to disasters	N. A	503	N. A
		44.50	c. Destroyed or damaged health facilities attributed to disasters	N. A	78	N. A
		11.5.3	d. Disruptions to educational services attributed to disasters	N. A	503	N. A
			e. Disruptions to health services attributed to disasters	N. A	18	N. A
		11.6.1	Solid wastes recycled (%)	18.5	20.0	19.5
11.6		11.6.2	Annual average concentration based on the type of air pollutants (PM10) (μg/ m3)	20.5	19.8	23.6
	(air quality, waste).	11.6.2	Annual average concentration based on the type of air pollutants (PM2) (µg/m3)	15.2	12.3	15.2

Tava	rot (in buint) Indicator		Description	National Performance			
Target (in brief)		indicator	Description	2021	2022	2023	
11.7	Provide safe, inclusive, accessible green and public spaces.	11.7.1	Average share of the built-up area of cities that is open space for public use for all	35.6	35.5	35.6	
		11.7.2	Sexual harassment victims	506	477	522	

Source: DOSM, SDG Dashboard

The Malaysia SDG Cities initiative is also aligned with the New Urban Agenda (NUA) to promote strategic and integrated urban planning. It encourages cities in Malaysia to identify their development needs balancing social, economic and environmental considerations and establish necessary partnerships. Additionally, the SDG 11 National Roadmap, developed with UN ESCAP and Urbanice, complements this by providing a detailed guide to sustainable urban development. The roadmap promotes integrated planning, stakeholder engagement and local innovation to embed SDG 11 into structural and local plans, reinforcing Malaysia's commitment to inclusive, resilient and sustainable cities.

# **Present Efforts**

# **Reducing Inequality and Empowering Vulnerable Group**

Aligning with SDG 10 (Reduced Inequalities), the MTR 12MP aims to narrow inequality by improving access to opportunity and strengthening social protection. Progress is monitored using multiple indicators (Table 3.7).

Table 3.7: Selected Targets from MTR 12MP

Description	2025 Target	Current Status
Mean Monthly B40 Household Income	RM4,200	RM3,401 (2022)
Median Monthly B40 Household Income	RM4,300	RM3.440 (2022)
Share of Income of B40 from Overall Household Income	16.7%	16.1% (2022)
Share of Skilled Workers out of Total Heads of Household of B40	13.7%	11.7 (2022)
Gini Coefficient	0.388	0.404 (2022)
Median Monthly Household Income Ratio Bumiputera to Chinese	0.88:1	0.71:1 (2022)
Median Monthly Salary and Wages Ratio Bumiputera to Chinese	1:1	0.80:1 (2023)
Participation of Bumiputera in Skilled Occupation Category	65.0%	56.0% (2024)
Percentage of Bumiputera Households Owning a Residential Unit	75.0%	73.4% (2022)
Bumiputera Corporate Equity Ownership with Effective Control	30.0%	18.4% (2020)

Source: Ministry of Economy

To ensure inclusive growth, especially for vulnerable groups, the government introduced the IPR programme to boost income for the hardcore poor (household income below RM1,198 per month or USD269 per month), poor (household income below RM2,589 per month or USD582 per month) and B40 (household income below RM5,250 per month or USD1,180 per month). The IPR programme was allocated RM250 million in Budget 2025 to provide employment and business opportunities in agriculture (INTAN), food (INSAN) and services (IKHSAN).

The 12MP aims for Compensation of Employees (CE) to reach 40% in 2025 (from 33.1% in 2023), while the *Ekonomi MADANI* framework targets 45% by 2033. To achieve this, the government revised the minimum wage from RM1,200 in 2020 to RM1,500 per month in 2022 to RM1,700 (USD382) per month effective February 2025, with micro companies with fewer than five employees exempted until August 2025. A progressive wage policy was introduced to link wage growth with productivity gains, ensuring fair compensation, reducing income disparity and promoting sustainable economic growth. Budget 2025 has allocated RM200 million to benefit 50,000 workers earning less than RM5,000 monthly across all sectors.<sup>112</sup>



# **Strengthening Social Protection and Targeted Subsidies**

Efforts also strengthen social safety nets for vulnerable groups such as PWD, older persons and low-income households by expanding access to social assistance programmes and improving benefits (Table 3.8).  $^{113}$ 

Table 3.8: Major Social Protection Programmes Under Budget 2025

Items	Program	Beneficiaries	Total budget allocated
Alleviate the cost of	Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (SARA)	4.1 million families; 1.3 million single senior citizens; 3.4 million single individuals	RM13 billion
living of the people	Social welfare assistance	3.1 million - individuals	RM2.9 billion
Healthcare	MADANI Healthcare Scheme (Skim Perubatan MADANI)	All STR recipients (8.8 million households and individuals)	RM100 million
nealtricare	Skim Peduli Kesihatan for B40 Households (PeKA B40)	All STR recipients aged 40 years old and above	RM80 million
Informal worker	Self-Employment Social Security Scheme (SKSPS) Subsidy Programme	All self-employed individuals such as food delivery riders, farmers, fishermen, artists, and others	RM100 million
protection	i-Saraan	All self-employed	RM150 million

Source: Ministry of Finance (MOF)

The Government has also initiated the following reforms to better target assistance and promote fiscal sustainability:

- 1. Prices on on chicken were floated, saving RM1.2 billion (USD269.7 million) per year. 114
- 2. Targeted electricity subsidies based on consumption levels save RM4 billion (USD898.9 million).<sup>115</sup>
- 3. Targeted diesel subsidies provide annual government savings of up to RM7.5 billion (USD1.7 billion). 116



# **Affordable Energy and Energy Transition**

Malaysia has put in place initiatives to meet energy needs, reduce fossil fuel reliance and facilitate transition to a sustainable energy ecosystem. The government has put in place initiatives focused on providing reliable electricity to underserved and rural areas, especially in Sabah and Sarawak, as part of universal access efforts. Investments in grid extension, off-grid solutions and solar initiatives including BELB, which offers solar hybrid and micro-hydro systems as well as mini-grids provide modern energy services to households.

Affordable energy prices, particularly for low-income households and small businesses continue to be the focus during the review period. Electricity tariffs are tiered by usage, benefitting lower income households. To Subsidy reforms have also been initiated to ensure fiscal discipline and targeted reach, enhancing support for vulnerable groups while promoting long-term economic sustainability. Targeted diesel subsidies are provided to eligible logistics companies, public transport operators, diesel vehicle owners, fisheries and agro-based industries.

The retail price of diesel has been floated as of June 2024, increased by 56% to RM3.35 per litre in Peninsular Malaysia (Sabah and Sarawak are exempted). Prior to the reforms, the diesel subsidy cost the Government RM14.3 billion in 2023. These savings have allowed the Government to effectively support vulnerable households and essential industries via the targeted BUDI MySubisidi Diesel programme.

Malaysia's energy transition strategy addresses its reliance on fossil fuels while shifting towards renewables, 118 targeting a 70% renewable energy share in installed capacity by 2050. Key policies include the DTN and NETR, which focus on promoting renewable energy sources such as solar, hydropower and biomass and increasing the adoption of energy-efficient practices. 119 Malaysia is continuing to rely on natural gas as a transition fuel, while the usage of coal is expected to reduce following government policy to phase out coal-fired power plants. While natural gas share increased from 30.8% in 2020 to 36.3% in 2022, coal remains a substantial energy source at 42.4% (Figure 3.7). 120

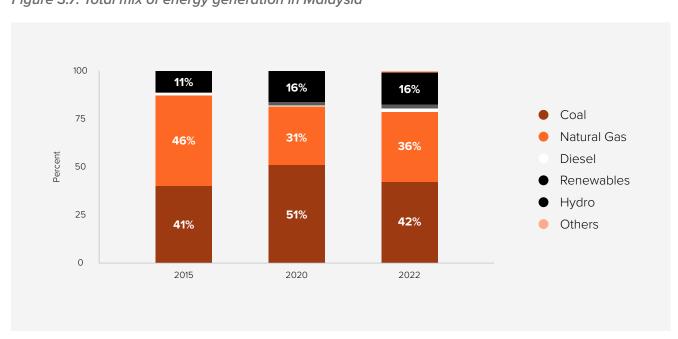


Figure 3.7: Total mix of energy generation in Malaysia

Source: Energy Commission (EC). Electricity Generation by Fuel Types

RE adoption is promoted through programmes such as Feed-in Tariff (FiT), Net Energy Metering (NEM) and Large-Scale Solar (LSS). The FiT programme allows independent energy producers to sell excess electricity back to the grid, while NEM enables energy consumption offset by selling surplus power back to the grid. The LSS project development increases Malaysia's renewable energy capacity with a total capacity of 2,445.372 MW awarded in 2023, an increase from the initial capacity of 1,492.122 MW.<sup>121</sup>

The Government further provides incentives for households and businesses to embrace green technologies. The Green Technology Financing Scheme (GTFS) encourages businesses to adopt environmentally friendly projects and sustainable innovation. Further accelerating Malaysia's transition to cleaner energy, the Government is implementing measures to disincentivise high carbon emissions industries. Announced in 2024, a carbon tax will be imposed on energy, iron and steel sectors starting in 2026. This is part of a broader strategy to reduce the nation's carbon footprint, extending the Voluntary Carbon Market (VCM) framework introduced in Malaysia's 2022 Budget. The nation's first voluntary carbon credit auction was initiated in March 2023 through Bursa Malaysia's VCM, which provides a transparent mechanism for pricing and trading carbon credits.

Malaysia's energy transition strategy addresses its reliance on fossil fuels while shifting towards renewables. This is part of a broader strategy to reduce the nation's carbon footprint, extending the VCM framework introduced in Malaysia's 2022 Budget. The nation's first voluntary carbon credit auction was initiated in March 2023 through Bursa Malaysia's VCM, which provides a transparent mechanism for pricing and trading carbon credits. A PPP in Sabah through Kuamut Project, protects and restores 83,381 hectares of tropical forest which results in an estimated annual emission reduction of 800,000 tonnes of carbon dioxide equivalent (tCO2e). 123



# **Promoting Sustainable Cities and Communities**

In alignment with SDG 11 the Government facilitates affordable home ownership, especially for first-time buyers, through full stamp duty exemptions on transfer and loan agreements. The government aims to construct 500,000 affordable homes by 2025. As of 2023, *Inisiatif Pembiayaan Perumahan Malaysia*, aided 48,449 first-time buyers under *Skim Rumah Pertama* (RM12 billion in financing) and 6,726 buyers with no fixed income under *Skim Jaminan Kredit Perumahan* (RM1.3 billion in financing).<sup>124</sup>

Additionally, 16,334 affordable housing units for M40 were built under 1Malaysia Housing Programme (PR1MA), *Residensi Wilayah and Kediaman* SPNB. By 2020, 282,259 affordable units (43.2% of the 653,000 target) were completed. MyHome and MyDeposit schemes aided 6,818 and 2,865 buyers respectively, whilethe Rent-to-Own programme benefited 5,877 low-income households under PPR. Efforts included constructing 2,934 units on waqf land and allocating one percent of public housing for PWD and senior citizens, with 151 PPR and 166 Malaysian Civil Servants' Housing Projects (PPAM) units designated for PWD.<sup>125</sup>

Government infrastructure projects to enhance public transportation accessibility and connectivity have focused on the Klang Valley. In 2023, the Mass Rapid Transit (MRT) Putrajaya Line, the 11th operational line, boosted connectivity between administrative capital Putrajaya and the rest of the Klang Valley. A third light rail transit (LRT) line, LRT3, is slated to be fully operational by the third quarter of 2025 and will further connect major residential areas with Kuala Lumpur. 126 In addition to the Klang Valley, there are also major public transport infrastructure projects in Penang (LRT Mutiara Line), Johor (Johor-Singapore Rapid Transit System) and the East Coast (East Coast Rail Link). These projects and measures are expected to boost public transport utilisation.

Under the Low Carbon Mobility Blueprint 2021–2030 (LCMB), the Government aims to reduce GHG emissions and energy consumption by shifting mindsets and encouraging commuters

to switch from private vehicles to public transportation. Support for electric vehicles (EV) adoption including motorcycles through tax incentives and ecosystem development, along with ongoing EV upgrades for buses are provided. The Government provides ridership incentivisation measures through ticketing concessions and streamlined digital payment systems.

The Malaysian Urban-Rural National Indicators Network for Sustainable Development (MURNINets) measures city sustainability, with local authorities receiving recognition across several indicators including happiness, smart initiatives and governance. According to its 2024 Urban Sustainability Index, 74% of local authorities in Malaysia are sustainable cities, 26% moderately sustainable and none are less sustainable (Table 3.9). Malaysia targets at least 120 sustainable cities out of 156 by 2025. 127 In this regard, the Government also confers recognition through the Most Sustainable Cities Award, which was presented to 12 cities across Malaysia in 2024, with Putrajaya being named as the most sustainable city.128



Table 3.9: Sustainable City by Status, 2024

No	Sustainable City Index	Number of Local Authorities	(%)
1	Sustainable (80% - 100%)	113	74
2	Moderately Sustainable (50% - 79%)	40	26
3	Less Sustainable (0% - 49%)	0	0

Source: MURNINets, Sustainable Achievement 2024

In collaboration with Asian Development Bank (ADB), Green City Action Plans are being developed for 14 selected cities, identifying a pipeline of green infrastructure projects to enhance their resilience, inclusiveness and competitiveness.

Circular economy principles are crucial in driving Malaysia's sustainable city agenda. Launched in 2024, the Circular Economy Blueprint for Solid Waste in Malaysia (2025–2035) provides a long-term vision for integrating circular economy practices to optimise resource efficiency, minimise waste and support green growth. By targeting urban systems such as durable goods production, waste management and renewable resource utilisation, the blueprint aligns closely with Malaysia's environmental and economic sustainability goals while directly contributing to cleaner, more resilient and low-carbon cities.

- **Manufacturing**: A circular economy policy framework will be developed to enhance the competitiveness of Malaysia's manufacturing industry and increase the international marketability of its products by adopting sustainable production practices, resource efficiency and innovation.
- **Biomass Industry**: A national Biomass Action Plan will be introduced to harness energy and agro-based materials, reducing reliance on fossil fuels by promoting the use of agricultural and forestry residues for renewable energy production and bio-based industries.
- **Solid Waste Management**: The circular economy study for solid waste will provide actionable strategies and plans for sustainable practices, encouraging waste segregation, recycling and recovery to reduce landfill dependency.

Through the implementation of the Circular Economy Blueprint, Malaysia is poised to establish itself as a regional leader in sustainable development, ensuring long-term economic resilience and environmental stewardship.



# **Challenges and Way Forward**

A progressive tax and transfer system is in place, providing a solid foundation for further enhancing the effectiveness of fiscal policy in reducing inequality (Figure 3.8 and Figure 3.9 shows median income ratio remaining stable, but absolute gap widening) and aligning with the performance of leading peers. There is strong potential to enhance the impact of fiscal policy on inequality reduction, as shown by Malaysia's 2023 position of 18th among 25 upper-middle-income countries, presenting an opportunity to adopt bold measures and join the ranks of top-performing nations.<sup>129</sup>

0.48 0.5 0.48 0.47 0.4 Median Monthly Household Income 0.3 Ratio of M40 to T20 0.23 0.22 0.21 0.2 Median Monthly Household Income Ratio of B40 to T20 0.1 0.0 2016 2019 2022 Year

Figure 3.8: Median Income Ratio by Income Groups

Source: DOSM, Household Income Survey 2022

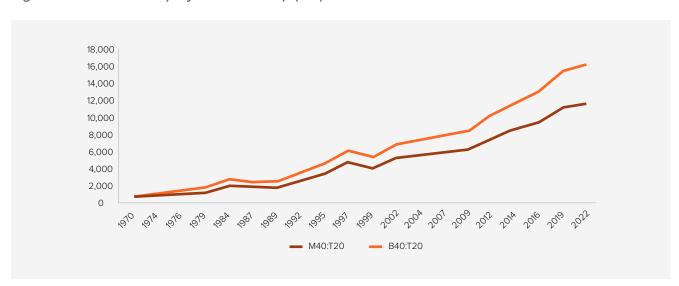


Figure 3.9: Absolute Gap by Income Group (RM)

Source: DOSM, Household Income Survey 2022

Efforts to advance gender equality in the labour market are yielding promising progress, with female LFPR steadily increasing (Figure 3.10). Female LFPR rose from 46.8% in 2010 to 56.2% in 2023, with a goal of 59% by 2025. This upward trend creates opportunities for even greater growth, particularly by addressing factors that influence female participation. The narrowing of the gender wage gap is a key area, providing an opportunity to develop strategies that ensure equitable wages (Figure 3.11).

82.3% 81.5% 80.5% 80 70 Labour Force Participation Rate (%) 56.2% 60 55.6% 55.3% 50 40 Male 30 Female 20 10 0 2021 2022 2023 Year

Figure 3.10: Labour Force Participation Rate by Gender (2021-2023) (%)

Source: DOSM, Labour Force Survey Report 2023

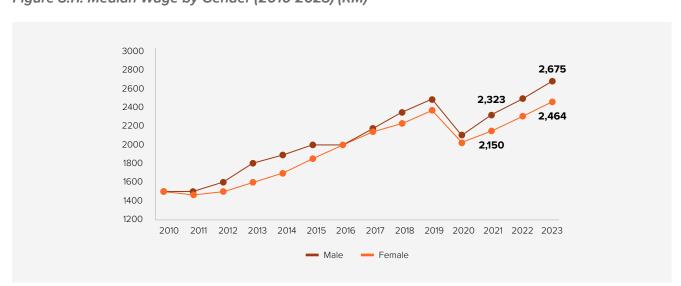
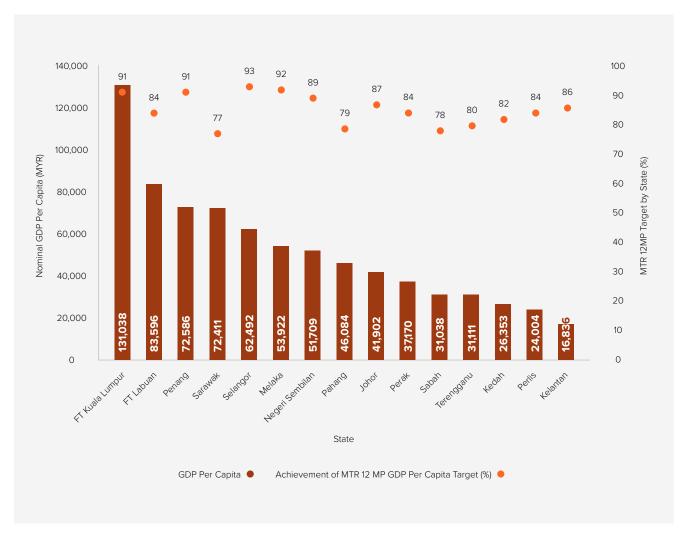


Figure 3.11: Median Wage by Gender (2010-2023) (RM)

Source: DOSM, Household Income Survey 2022

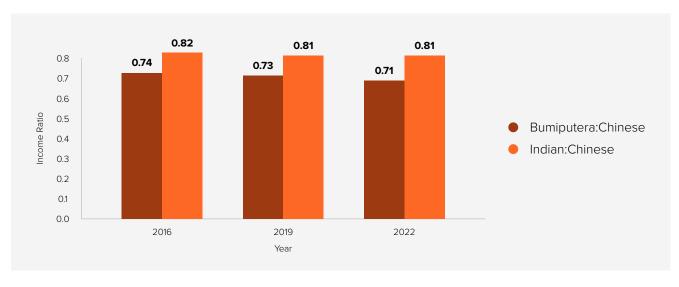
Initiatives are being organised to reduce regional inequality, with a focus on states such as Kedah, Kelantan, Perlis, Terengganu, Sabah and Sarawak, which currently have the lowest GDP per capita. Based on recent numbers, Pahang, Sabah and Sarawak are below 80% of the MTR 12MP target, as opposed to Melaka, Penang, Selangor and Kuala Lumpur which reached over 90% of the target (Figure 3.12). Income disparities between ethnic groups persist, with stable income ratios over time (Figure 3.13) but widening absolute gaps (Figure 3.14).

Figure 3.12: Nominal GDP Per Capita and MTR 12MP Target by State



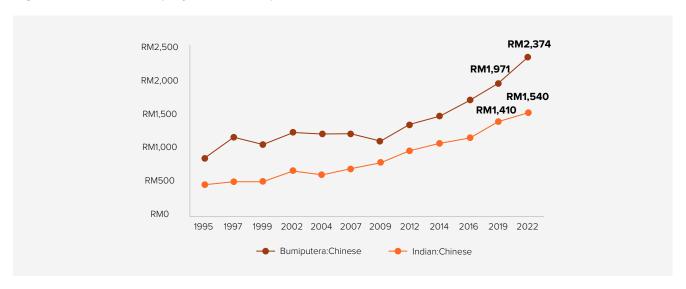
Source: DOSM, GDP by State (12MP)

Figure 3.13: Median Monthly Household Income Ratio by Ethnic Groups



Source: DOSM, Household Income Survey 2022

Figure 3.14: Income Gap by Ethnic Groups

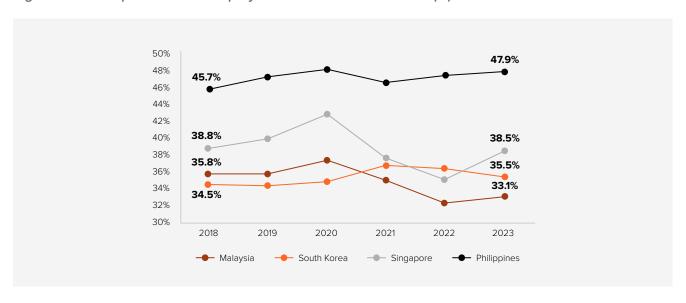


Source: DOSM, Household Income Survey 2022

Improving wages is key to strengthening Malaysia's labour market structure. Compared to Government aims of reaching 40% CE in 2025 and 45% in 2030, the 2023 CE share was 33.1%, projected to rise to 33.2% in 2024.<sup>130</sup> This share is comparable to levels from a decade ago, and lower than the Philippines (35.5%), Singapore (38.5%) and South Korea (47.9%) (Figure 3.15).<sup>131</sup>

The Minimum Wage Order has successfully raised the starting salary floor, but it has also contributed to wage compression for graduates and non-entry-level workers. Therefore, the Government has implemented PWP to reform the wage structure of Malaysian workers, alongside a productivity-linked wage system and collective bargaining instruments. Efforts to reduce inequalities across income groups, regions and ethnicities are ongoing by expanding employment and business opportunities, particularly for low-income groups, and addressing regional disparities.

Figure 3.15: Compensation of Employees for Selected Countries (%)



Source: DOSM, GDP by Income Approach; Ministry of Finance (MOF). Economic Outlook 2025.

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Malaysia's growing energy demand driven by economic growth, industrial expansion and population increase, presents a challenge for transitioning to greater adoption of the renewable while ensuring energy affordability and environmental sustainability. The domestic energy mix relies heavily on fossil fuels, leaving it vulnerable to price volatility, supply chain and environmental disruptions concerns. Integrating renewables poses technical and economic challenges, including grid stability, storage needs and affordability.

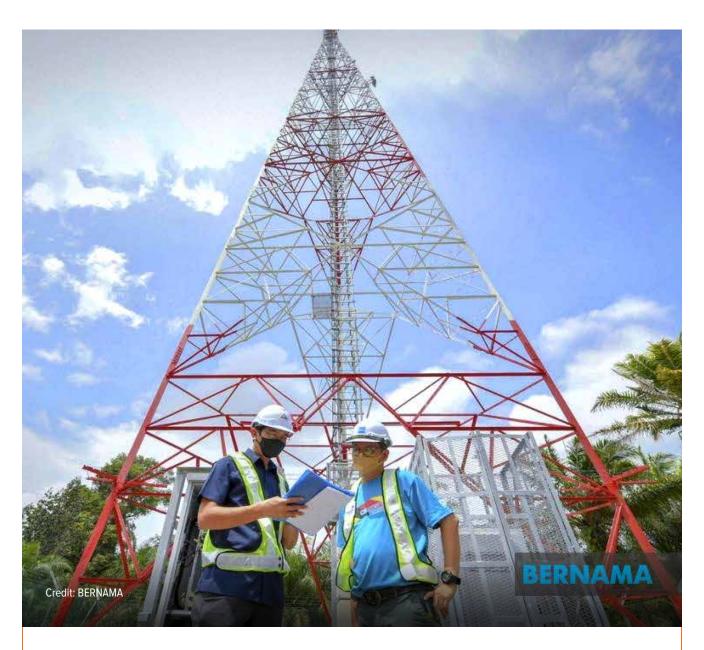
As Malaysia accelerates its transition towards a low-carbon economy, a comprehensive and coordinated approach is essential to ensure sustainability, long-term economic competitiveness and energy resilience. Future strategies must integrate innovation, investment and institutional reform to decarbonise the energy sector, attract private capital and strengthen regional cooperation. In this context, PPP are leveraged to attract private investments in solar farms, battery storage and green hydrogen Innovative tariff mechanisms and projects. incentives for rooftop solar systems have been introduced. while programmes promoting energy-efficient appliances, industrial retrofits and building designs, sustainable encourage energy-intensive industries to adopt green and

clean technologies. Strengthening energy security remains a priority through diversification of fuel sources, reduced reliance on imported fuels, expanded domestic renewable generation, increased energy infrastructure and enhanced regional cooperation.

Malaysia is addressing challenges from rapid urbanisation and climate change by seeking to build sustainable and resilient cities. Pressures such as increased urban vulnerability to disasters like floods and landslides have necessitated the improvement of disaster preparedness through dynamic response plans, early warning systems and public education to minimise disaster impact.

With only 38.5% of the population having convenient access to green spaces as of 2020, the Government has collaborated with the private sector and local authorities to ensure access to such spaces. Malaysia is committed to a more inclusive and sustainable approach, prioritising infrastructure that serves people and communities, such as public transportation, affordable housing and green buildings. By leveraging its strategic frameworks and emphasising people-centric infrastructure, Malaysia is paving the way for cities that meet today's challenges and anticipate future needs.





# **BOX ARTICLE 3.1: EXPANDING THE DIGITAL ECONOMY IN RURAL MALAYSIA**

Digital infrastructure access remains a challenge in rural Malaysia, especially in Sabah and Sarawak. Limited connectivity in districts like Tenom, Nabawan, Kapit and Belaga restricts economic opportunities and participation as well as access to education. High broadband and device costs further increase this disparity.

Malaysia continues to prioritise expanding digital infrastructure and ensuring equitable access to technology. The National Digital Network (*JENDELA*) initiative aims to establish full rural coverage, improving connectivity and reducing network gaps. Subsidising broadband and devices for students will facilitate online learning and digital entrepreneurship.

Investing in rural digital inclusion will contribute to improved economic development, enhanced education and job creation. Stronger collaboration among all stakeholders, led by both the Ministry of Communications and Ministry of Digital will accelerate bridging the digital divide, ensuring rural communities participate in Malaysia's digital transformation.

# **BOX ARTICLE 3.2: STRENGTHENING GIG WORKER PROTECTIONS**

Concerns over labour rights, wages and job security are prevalent in the gig economy, especially in the Klang Valley where a growing but vulnerable workforce lacks legal protections. This absence creates uncertainties regarding compensation and job security, necessitating policy reforms in the form of robust legal frameworks that guarantee fair wages and benefits for gig workers.

Implementing social security measures tailored for gig workers was an important step taken by the Government and can be followed by extending minimum wage regulations to these workers for greater economic security. These measures, championed by the Ministry of Human Resources, aim to safeguard gig workers' rights and foster a more inclusive economy.



# **BOX ARTICLE 3.3: IMPLEMENTING SMART CITIES IN MALAYSIA**

Malaysia is adopting the Smart City concept to address rapid urbanisation, promote digital transformation and reinforce global competitiveness. The Malaysia Smart City Framework 2019-2025 (MSCF) is aligned with the National Physical Plan 3, the National Urbanisation Policy 2 (NUP 2), the NUA and the Malaysia SDG Cities Roadmap. In tandem, these documents call for cities to integrate the use of technology with infrastructure to improve urban management. Currently, 63 cities are early adopters of Malaysia's smart city standards.

Regionally, the ASEAN Smart City Network (ASCN) provides learning and knowledge-sharing opportunities between member states for smart city development. The ASCN recognises not only the urbanisation challenges but also the potential benefits of developing a regional smart cities ecosystem to further advance the ongoing digital economy transformation and the benefits it brings inclusive of economic, social and environmental outcomes.

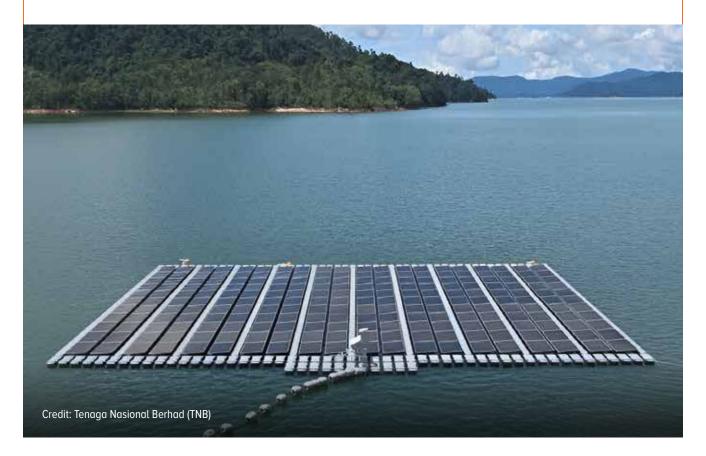


# **BOX ARTICLE 3.4: THE TRANSITION TO RENEWABLE ENERGY**

The NETR has set an ambitious target for a just energy transition. The NETR aims for 70% renewable energy capacity by 2050, through flagship catalyst projects focusing on energy efficiency, renewable energy, hydrogen, bioenergy, green mobility and carbon capture utilisation and storage. By 2050, the NETR initiatives aim to deliver a 32% reduction in GHG emissions, reaching 4.3 MtCO2eq emission per capita for the energy sector compared to the 2019 baseline.

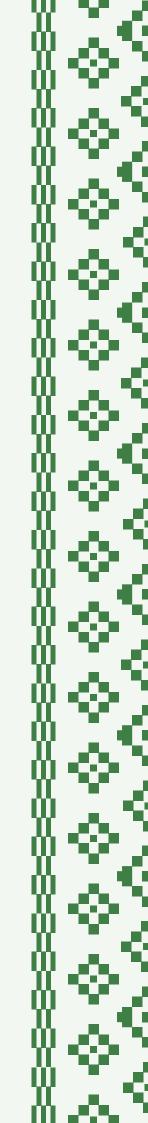
Initiatives by the Energy Commission, Sustainable Energy Development Authority (SEDA) and Tenaga Nasional Berhad (TNB) such as the NEM scheme provide incentives for residential and commercial solar energy generation, enabling users to sell excess energy back to the grid. The Floating Solar Projects leverages on Malaysia's abundant water bodies, developing floating solar farms such as TNB's hybrid hydro-floating solar (HHFS) at hydropower dam reservoirs. The pilot project at the Stesen Janakuasa Sultan Azlan Shah in Manjung, 132 Perak, was successful. These projects could significantly boost clean power by up to 2500MW. 133 SOLS Energy has run outreach programmes to educate vulnerable communities to join the solar workforce and to raise public awareness of the value of renewable energy, with the support from Petroliam Nasional Berhad (PETRONAS) and the Ministry of Energy Transition and Water Transformation. The Solar for Rakyat Incentive Scheme (SolaRIS) provides a cash rebate of RM4,000 for residential solar installation and Home Solar Subscription programme, namely 'SOLAR Boleh!' further amplify solar adoption. 134

The expansion of solar and hydroelectric projects is vital in diversifying Malaysia's energy portfolio and stimulates economic growth in the renewable energy sector. Through robust policies, industry collaboration and targeted incentives, Malaysia is making meaningful progress towards net-zero while ensuring a more sustainable and resilient future.



PROGRESS ON THE

# Planet Pillar



This Planet Pillar features two key themes, namely Navigating the Triple Planetary Crisis and Pursuing Net Zero and Green Transition, aligned with SDG 6, SDG 12, SDG 13, SDG 14 and SDG 15.

Figures 4.1 and 4.2 present the status and progress related to these themes, covering challenges related to climate change, biodiversity, pollution, water security, waste management and the growing role of ESG reporting in national development efforts.

Figure 4.1: Overview of Status and Progress for Theme One (Planet Pillar)

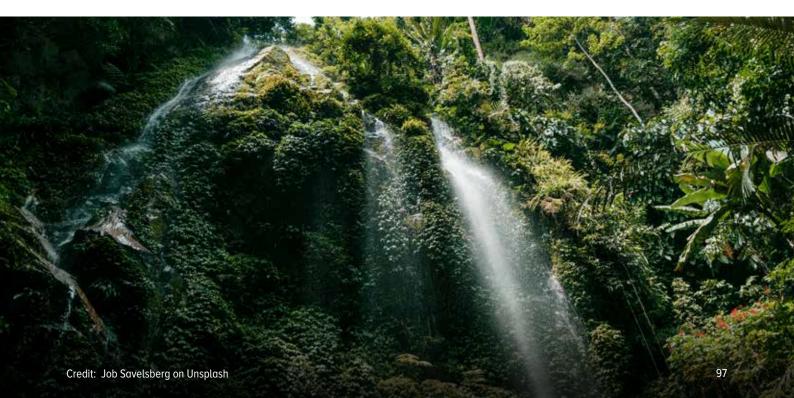


Figure 4.2: Overview of Status and Progress for Theme Two (Planet Pillar)



Hazardous waste increased, reaching **5.8M** tonnes (2023)





# THEME 1: NAVIGATING THE TRIPLE PLANETARY CRISIS

Addressing the triple planetary crisis of climate change, biodiversity loss and pollution is crucial for Malaysia in realising the SDG and ensuring resource security, economic stability, public health and social cohesion. These interconnected crises pose threats such as extreme weather events, erosion of ecosystem services, water scarcity, food insecurity and increased public health risks. Their compounding effects place greater risks to vulnerable groups such as indigenous peoples, women, children, youth, older persons, PWD and low-income households. The Government is increasingly prioritising development policies that acknowledge the planetary boundaries, strengthen climate resilience and integrate nature-based solutions (NbS).

# **Status and Progress**

# **Resilience to Climate Change and Natural Disasters**

According to the Notre Dame Global Adaptation Initiative (ND-GAIN) Index, Malaysia ranked 12th among upper-middle-income economies and 49th out of 185 countries in 2024, indicating moderate vulnerability to climate change but a relatively strong capacity to adapt. Consequently, the Government has adopted the Malaysia Adaptation Index (MAIN) which summarises vulnerability and readiness levels of each state in facing climate change impacts.

Malaysia faces climate-induced challenges such as rising sea levels and temperatures, flooding and drought. The number of disaster-affected persons increased five-fold from 2020 to 2021 and has remained high since (Table 4.1), largely due to a surge in flood-related events from 433 in 2019 to 983 in 2022. The Following the December 2021—January 2022 floods, which affected the Klang Valley as well as several other states (Pahang, Perak, Negeri Sembilan, Melaka, Kelantan and Terengganu), Malaysia has accelerated investments in disaster risk reduction, strengthened early warning systems and scaled up adaptation measures. The surge of the states of the sta

While flooding is the most common climate-related hazard, others affect different populations and economic activities distinctly. For example, outdoor workers face greater risks from extreme heat and urban heat islands. Children and youth are more at risk of climate-related impacts affecting their growth and education.<sup>137</sup> Coastal and fishing communities are more vulnerable to coastal erosion, while highland areas increasingly experience debris-laden floods.

Table 4.1: Number and Rate of Deaths, Missing Persons and Persons Affected by Disasters

| Year | Deaths |      | Missing Persor | Missing Persons |         | ns    |
|------|--------|------|----------------|-----------------|---------|-------|
|      | Number | Rate | Number         | Rate            | Number  | Rate  |
| 2020 | 16     | 0.0  | 1              | 0.0             | 48,667  | 150.0 |
| 2021 | 48     | 0.1  | 0              | 7               | 247,997 | 761.3 |
| 2022 | 35     | 0.1  | 0              | -               | 199,244 | 609.0 |
| 2023 | 9      | 0.0  | 0              | -               | 192,593 | 577.0 |

Note: Rate refers to over 100,000 of population

Source: DOSM, NADMA

Chapter Four: Progress on the Planet Pillar

Since 2021, Malaysia has enhanced its vulnerability assessments and adaptation measures (Table 4.2). Climate projections indicate worsening floods, increasing dry spells, rising sea levels and temperatures, all of which pose threats to critical infrastructure, agricultural yields, public health and ecosystems. As Malaysia undergoes rapid urbanisation, these climate risks are likely to intensify, increasing exposure for businesses, infrastructure and the population, particularly low-income communities, informal workers and individuals without access to social protection or healthcare. 139

Table 4.2: Climate Physical Risks, Projections and Adaptation Measures

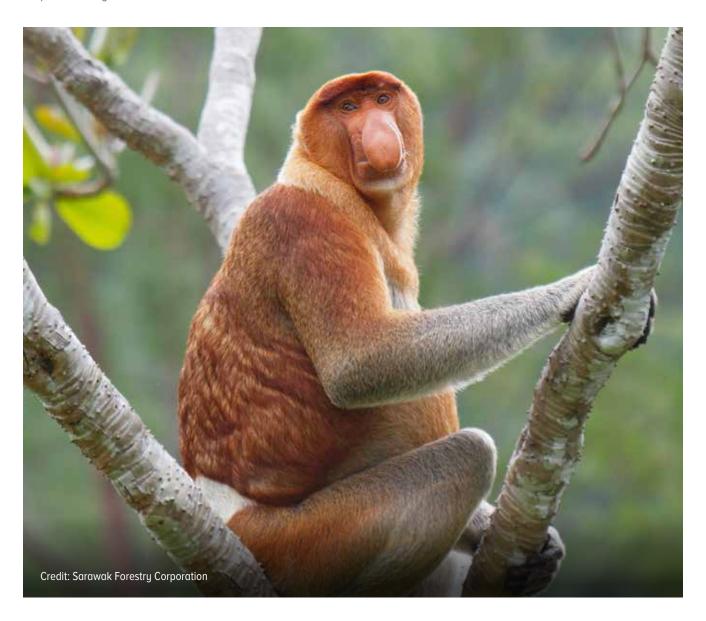
| Physical<br>Risks       | Current Status   | Latest Projection  | Example of key steps taken   |
|-------------------------|--|--|--|
| Flooding                | 21% of Malaysians live<br>in flood-prone areas;<br>5,496 flood hotspots<br>identified                      | Inland flooding may increase<br>by 18.2%; rainfall expected to<br>rise by 3.5–25.4%.                   | 76 flood mitigation projects; 52 sabo structures;<br>PRABN early warning (37 river basins); 60 flood<br>hazard maps; IWRM & IRBM; MSMA for urban<br>flood management |
| Drought /<br>Dry Spell  | Prolonged hot spells<br>occurred in parts of the<br>country  | Annual rainfall expected to<br>decline up to 22%; especially<br>in northern Peninsular<br>Malaysia     | Water resource diversification; maintaining a 15% water reserve margin.  |
| Temperature<br>and Heat | Temperature has risen 0.13–0.24°C per decade over 50 years.  | Annual temperatures may<br>rise 1.7–2.1°C by late century;<br>higher increases in Sabah and<br>Sarawak | National Heatwave Action Plan; health risk<br>management guidelines; guidelines on vector-<br>borne diseases; Peatland Fire Prevention<br>Programme                  |
| Sea Level<br>Rise       | 3.2 mm average annual rise in Peninsular Malaysia; 2.9 mm in Sabah & Sarawak 15.3% of coastline is eroded. | Sea levels may rise by 0.74m<br>by 2100, inundating 76.9%<br>more coastal areas.                       | Coastal protection structures; 10,000+ hectares of mangrove restoration; 19 Shoreline Management Plans (ISMPs); National Coastal Vulnerability Index.                |

Source: Fourth National Communication, Department of Irrigation and Drainage, Malaysia NDC

Table 4.3: SDG 13 Status and Progress by Selected Indicators (2021-2023)

| Targ | et (in brief)   | Indicator  | Description  | Natio<br>Perfo |       |       |
|------|---|------------|--|----------------|-------|-------|
|      |   |            |  | 2021           | 2022  | 2023  |
|      | Strengthen resilience and adaptive capacity to climate-related hazards. | 13.1.1 (a) | Rate of deaths attributed to disasters per 100,000 population                          | 0.1            | 0.1   | 0.0   |
| 13.1 |   | 13.1.1 (b) | Rate of missing persons attributed to disasters per 100,000 population                 | 0              | 0     | 0     |
|      |   | 13.1.1 (c) | Rate of directly affected persons<br>attributed to disasters per 100,000<br>population | 761.3          | 609.0 | 577.0 |
| 13.2 | Integrate climate change measures into national policies and planning.  | 13.2.2     | Total greenhouse gas emissions per year (million metric tons)                          | 327.7          | NA    | NA    |

Source: DOSM, SDG Dashboard, Ministry of Natural Resources and Environmental Sustainability (NRES)



# **Biodiversity and Ecosystem Health**

As a megadiverse country, Malaysia's ecosystems are vital to its identity, livelihoods, resource security and climate resilience. Since independence, Malaysia has put in place legal frameworks to balance conservation and development, thereby upholding its pledge made at the 1992 Rio Earth Summit to maintain at least 50% forest cover. The country remains committed to this pledge, maintaining a forest cover of 54.3% in 2022, which includes 14.8% of terrestrial protected areas (Figure 4.3). As of 2022, there are 723 protected areas which comprises of 14.83% of land area and 5.34% of marine area. Continuous efforts to expand the protected area network include the new 134,100-hectare Al-Sultan Abdullah Royal Tiger Reserve in Pahang, while Sabah reclassified 51,265 hectares across nine locations as protected areas in 2023.

Complementary to the gazettement of protected areas, Malaysia remains committed to the conservation of biodiversity and ecosystem health as part of its pledge to the Kunming-Montreal Global Biodiversity Framework and its alignment with the NPBD. A national framework for Other Effective area-based Conservation Measures (OECMs) is being developed to integrate green spaces, customary land, community-conserved areas and regulated water catchment areas. In addition, the Government's campaign to plant 100 million trees by 2025 achieved its target ahead of schedule in 2024.

56.0 55.31 55.5 Percent 55.0 54.73 54.58 54.5 54.37 54.31 54.0 2018 2019 2022 2020 2021 Year Forest Area as Proportion to of Total Land Area

Figure 4.3: Forest Area as a Proportion of Total Land Area [SDG Indicator 15.1.1]

Source: DOSM, Malaysia's Biennial Transparency Report 1

Community-led conservation remains integral to Malaysia's efforts in advancing SDG 14 and 15. In Sabah, the Bundu Tuhan Native Reserve and Community Use Zones in Crocker Range Park integrate traditional knowledge with conservation. Along the coast, Kelab Alami Mukim Tanjung Kupang (Johor) and Reef Check's Community Marine Conservation Group in Tioman (Pahang) empower communities to sustainably manage marine resources. In urban areas, Friends of Bukit Kiara and Shah Alam Community Forest advocate for the protection of green lungs from development pressure. In Selangor, Alliance of River Three plays an active role in river restoration and pollution prevention. These and many other efforts reflect the expanding role of non-state actors in safeguarding Malaysia's environment.<sup>144</sup>

Table 4.4: SDG 15 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  | Indicator | Description  | Natio<br>Perfo | <b>:</b> |      |
|-------------------|--|-----------|--|----------------|----------|------|
|                   |  |           |  | 2021           | 2022     | 2023 |
| 15.               | Conserve and restore terrestrial and freshwater ecosystems | 15.1.1    | Forest area as a proportion of total land area (%) | 54.37          | 54.31    | NA   |

Source: Ministry of Natural Resources and Environmental Sustainability

Malaysia is actively safeguarding the ecosystem's integrity and connectivity and has been taking comprehensive measures to ensure that the country's socioeconomic development does not come at the undue expense of its natural resources. In the effort to balance the needs for development and maintain the ecosystem equilibrium, enforcement efforts have been scaled up through the Biodiversity Protection and Patrolling Programme (BP3) with the appointment of Community Rangers comprising of representatives from the army and police veterans, indigenous peoples and local communities.

Additionally, the Integrated Operation Treasure (OBK) is a multi-agency operation launched in 2019, which is also part of BP3. The OBK involves the Royal Malaysia Police, the Department of Forestry of Peninsular Malaysia, state forestry departments and national park authorities. These initiatives also aim to ensure the

survival of the Malayan Tiger as the National Tiger Survey conducted between 2016 and 2020 estimated that fewer than 150 individuals remain in the wild, classifying the species as 'critically endangered' on the International Union for Conservation of Nature (IUCN) Red List.



# **Marine and Coastal Resources**

Malaysia places great importance on marine and coastal ecosystems that contribute to livelihoods, food security and advancing the SDG. The fisheries sector continues to support economic growth, playing a key role in supplying seafood for local use and export. However, coastal areas and islands which are home to 31% of the population, face challenges such as erosion, marine litter, inefficient waste management, declining fish stocks and environmental degradation. Since 2021, Malaysia has continued to promote integrated coastal development and sustainable marine resource management, including the gazettement of 53 Marine Protected Areas (MPA). Notable sites include the Tun Mustapha Park (0.9 million hectares) in Sabah and Luconia Shoals Marine National Park (1.01 million hectares) in Sarawak. Additional MPAs are being considered under the National Coastal Physical Plan 2 and the National Physical Plan 4 which include five Important Marine Mammal Areas (IMMAs). The ongoing development of the Malaysia Marine Protected Area Blueprint by the Department of Fisheries aims to identify other potential marine protected areas based on scientific assessments.

Malaysia has taken significant steps to restore and protect its marine resources. In response to findings from the 2017 stock assessment, the Government has proactively addressed overfishing and habitat degradation by recognising illegal, unreported and unregulated (IUU) fishing as a national sovereignty issue (Table 4.5). Strengthened enforcement efforts, including amendments to the Fisheries Act 1985, the adoption of smart surveillance technology and enhanced regional cooperation are already paving the way for improved monitoring and protection of fish stocks. These initiatives aim not only to safeguard marine biodiversity but also to secure the long-term livelihoods of local fishing communities and ensure a stable seafood supply for the nation. Besides gazettement of MPAs, the Government is also embarking on efforts to recover depleted fish stocks through mangrove restoration, artificial reef deployment, promoting Ecosystem Approach to Fisheries Management (EAFM) and enhancing regional collaboration (Table 4.6).

Table 4.5: SDG 14 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |   | t (in brief) Indicator Description |   | National<br>Performance |       |       |
|-------------------|---|------------------------------------|---|-------------------------|-------|-------|
|                   |   |                                    |   | 2021                    | 2022  | 2023  |
|                   | Minimize and address ocean acidification impacts through cooperation. | 14.3.1 (a)<br>(Proxy)              | Status of marine water quality based on Malaysia<br>Marine Water Quality Index (excellent category),<br>coastal areas | 85                      | 88    | 106   |
| 14.3              |   | 14.3.1 (b)<br>(Proxy)              | Status of marine water quality based on Malaysia<br>Marine Water Quality Index (excellent category),<br>estuary areas | 7                       | 7     | 6     |
|                   |   | 14.3.1 (c)<br>(Proxy)              | Status of marine water quality based on Malaysia<br>Marine Water Quality Index (excellent category),<br>island areas  | 53                      | 54    | 61    |
| 14.4              | Regulate fishing; end overfishing and destructive practices.          | 14.4.1                             | Proportion of fish stocks within biologically sustainable levels  | 57.9                    | NA    | NA    |
| 14.5              | Conserve at least 10% of coastal and marine areas.                    | 14.5.1                             | Coverage of protected areas in relation to marine areas   | 5.40                    | 5.34  | 5.39  |
| 14.6              | Prohibit fisheries subsidies that contribute to overfishing.          | 14.6.1                             | Degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing    | NA                      | 3*    | NA    |
| 14.7              | Increase economic benefits from sustainable marine resource use.      | 14.7.1<br>(Proxy)                  | Percentage share of the fisheries sector to GDP   | 0.8                     | 0.8   | 0.7   |
| 14.a              | Enhance ocean science, research and technology capacity.              | 14.a.1                             | Proportion of total research budget allocated to research in the field of marine technology, Malaysia**               | 49.75                   | 12.05 | 10.32 |
|                   |   |                                    |   |                         |       |       |

# Notes:

Source: DOSM, Department of Fisheries Malaysia, Department of Environment, Ministry of Natural Resources and Environmental Sustainability



<sup>\*</sup>Level of implementation: 1 (lowest) - 5 (highest) / Malaysia is in group 3 (Medium implementation).

<sup>\*\*</sup>Data refer to the annual national research budget for marine technology in the fisheries sector (capture fisheries and aquaculture), compared to the overall national government research and development budget.

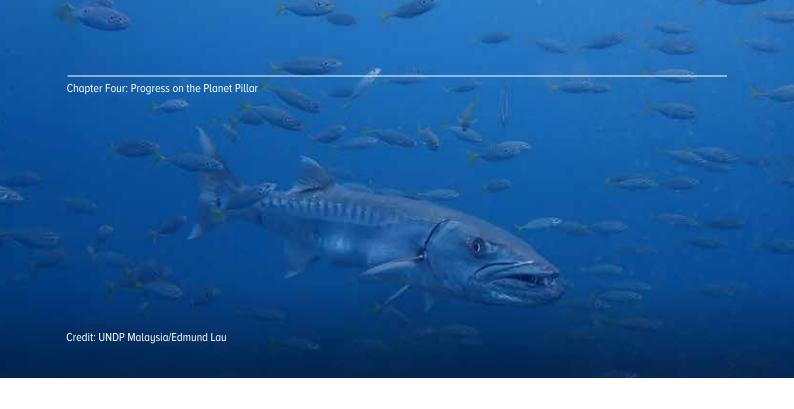


Table 4.6: SDG 14 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  | Indicator | Description  | National Performance   |  |  |
|-------------------|--|-----------|--|--|--|--|
| 14.2              | Sustainably<br>manage and<br>protect<br>marine and<br>coastal<br>ecosystems. | 14.2.1    | Number of countries using ecosystem-based approaches to managing marine areas  | Malaysia applies the Ecosystem Approach to Fisheries Management (EAFM): Department of Fisheries (DOF) has adopted EAFM as a management tool in managing the fishery resources. Involvement of coastal communities is an integral part in the EAFM process, starting from planning up to the decision making. Among the activities and programs include capacity building, incorporating EAFM into national policies, developing site specific EAFM management plan and incorporating EAFM into the Fisheries Management Plan.                        |  |  |
| 14.b              | Support<br>small-scale<br>fishers'<br>access to<br>resources<br>and markets. | 14.b.1    | Degree of application of a legal/<br>regulatory/ policy/ institutional<br>framework which recognizes and<br>protects access rights for small-<br>scale fisheries   | Malaysia recognises the importance of small scale fisheries (SSF) and has specific policies that governs the small scale fisheries: Malaysia has designated Zone A (0-5 nautical miles) specifically for small-scale fishermen using traditional fishing gear to protect their livelihoods, and the coastal aquatic resources. (Note: NPOA Fishing Capacity has lapsed and in process of revision). Moving towards establishing Fisheries Management Plans (FMPs), developed based on species-area specific, taking into consideration the ecosystem |  |  |
| 14.c              | Implement<br>and enforce<br>international<br>sea law for<br>conservation.    | 14.c.1    | Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nations Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources | Malaysia related legislative referring to, or the United Nations Convention on the Law of the Sea (UNCLOS): Fisheries Act 1985 and its subsidiaries regulations, Territorial Sea Act 2012, Continental Shelf Act 1966 and amendments, Exclusive Economic Zone Act 1984 and amendments, Baselines of Maritime Zones Act 2006. Malaysia also established policies and institutional frameworks in line with international instruments such as Port State Measures (PSM), IPOA-IUU, CBD, etc.   |  |  |

Source: DOSM, SDG Dashboard

# **Water Resource and Security**

Poverty, health and access to potable water and sanitation are empirically linked, making water conservation and pollution control essential for SDG 6. Malaysia is at near universal coverage, with access to safe drinking water and sanitation services at 95% and 99% of the population respectively. However, gaps remain in rural areas including in Sabah, Sarawak and small islands, where coverage is lower than urban areas.

Malaysia is actively addressing water management challenges through sectoral reforms infrastructure upgrades. A major priority is reducing non-revenue water (NRW) losses, largely caused by ageing infrastructure, through targeted investments and modernisation efforts. High domestic water consumption, currently at 228 litres per capita daily (lcd) (Figure 4.4), is being addressed through water demand management initiatives, particularly in urbanised states. While usage still exceeds the WHO-recommended 160 lcd, recent infrastructure improvements, public awareness campaigns, and the gradual adjustment of tariffs after 2024 reflect growing recognition of water as a critical and strategic national resource.

Malaysia has made notable progress in river conservation, with 72% of 672 monitored rivers now classified as clean, a strong indicator of ongoing environmental stewardship. Targeted efforts are being undertaken including increased adoption of the Integrated River Management (IRBM) approach, early warning systems and stricter regulations to reduce pollution incidents and prevent water supply disruptions, particularly from illegal dumping and industrial discharge. 146 Efforts are also underway to diversify water sources and build climate resilience through expanding off-river storage, groundwater extraction, coastal reservoirs, underground storage and rainwater harvesting, adopting solutions tailored to local conditions.<sup>147</sup> Table 4.7 shows SDG 6 status and progress by selected indicators.



Chapter Four: Progress on the Planet Pillar

Table 4.7: SDG 6 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  | Indicator | Description  | National<br>Performance |       |       |
|-------------------|--|-----------|--|-------------------------|-------|-------|
|                   |  |           |  | 2021                    | 2022  | 2023  |
| 6.1               | Achieve universal safe, affordable drinking water access.              | 6.1.1     | Proportion of population using safely managed drinking water services (%)                                    | 94.7                    | 94.9  | 95.2  |
| 6.2               | Ensure universal sanitation and hygiene; end open defecation.          | 6.2.1     | Proportion of population using safely managed sanitation services (%)  | NA                      | 99.9  | NA    |
| 6.3               |  | 6.3.1 (a) | Proportion of domestic wastewater flows safely treated (%)   | 80.3                    | 83.2  | 82.6  |
|                   | Improve water quality; reduce pollution and treat wastewater.          | 6.3.1 (b) | Proportion of industrial wastewater flows safely treated (%)   | 98.9                    | 98.4  | 99.3  |
|                   |  | 6.3.2     | Proportion of bodies of water with good<br>ambient water quality (%) - out of 144<br>monitored river basins* | 95.1                    | 95.8  | 96.5  |
| 6.4               | Increase water-use efficiency; ensure                                  | 6.4.2 (a) | Domestic water consumption litre/capita/day (lcd)  | 251.0                   | 237.0 | 228.0 |
|                   | sustainable freshwater supply.   | 6.4.2 (b) | Non-Revenue Water (NRW) treated water lost in %  | 33.4                    | 34.4  | 34.6  |
|                   | Implement integrated water resources                                   | 6.5.1     | Degree of integrated water resources management implementation (%)   | 63.0<br>(2020)          | NA    | 73.0  |
|                   | management; include transboundary cooperation.                         | 6.5.2     | Proportion of transboundary basin area with an operational arrangement for water cooperation (%)             | 2.0                     | 2.0   | 2.0   |
| 6.a               | Expand cooperation and capacity-<br>building for water and sanitation. | 6.a.1     | Total official development assistance (gross disbursement) for water supply and sanitation                   | 0.5                     | 0.6   | NA    |
|                   |  |           |  |                         |       |       |

#### Notes

\*Malaysia classifies water quality as Clean, Slightly Polluted, and Polluted. For reporting, Slightly Polluted is reported as Good Water Quality due to the index range. A single point difference significantly impacts classification, which is considered unjustified. Source: DOSM, Ministry of Natural Resources, Environment and Climate Change, National Water Services Commission, Department of Environment, Indah Water Konsortium, Malaysia, Department of Irrigation and Drainage, Global SDG Indicators Data Platform

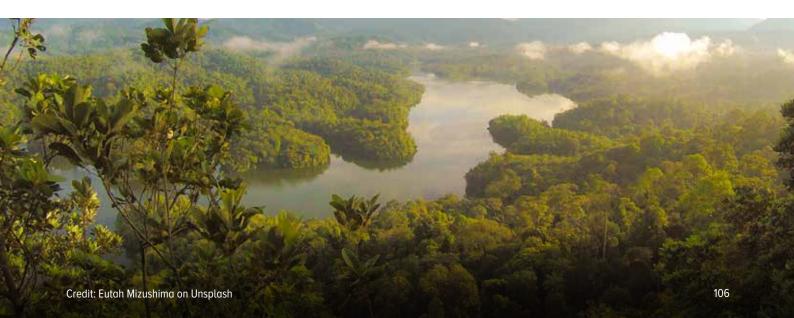
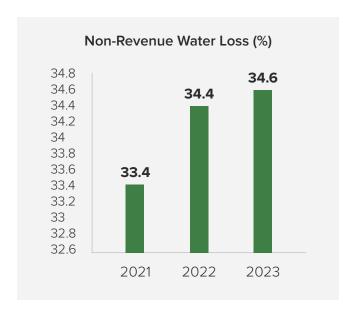
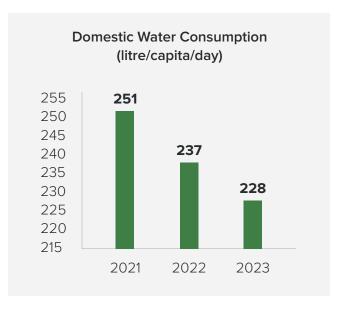


Figure 4.4: Non-Revenue Water Loss and Domestic Water Consumption in Peninsular Malaysia (2021-2023) [Indicator 6.4.2 – proxy]





Source: DOSM. 2024. National Water Services Commission

#### Air and Urban Pollution

Air quality has fluctuated in recent years due to urban pollution and recurring haze episodes. In 2023, drier weather and transboundary haze resulted in fewer 'Good' air quality days than in 2022, with elevated particulate matter concentrations recorded in urban areas, particularly in Klang Valley, Penang and Johor Bahru. In response, the Government is increasingly prioritising adoption of low carbon cities, promoting green mobility, enhancing air quality monitoring and strengthening cross-border cooperation to protect the public especially children, older persons, outdoor workers and those with pre-existing health conditions.

#### **Present Efforts**

# Strengthening Policy Framework on Disaster Risk Management and Climate Adaptation

In 2024, the National Disaster Risk Reduction Policy 2030 marked a shift from disaster response to proactive risk reduction, integrating disaster risk management into national development planning. Aligned with the Sendai Framework, the policy emphasises a multi-hazard approach, disaster governance, multi-stakeholder approach and resilience-building.

The NADMA Directive No. 1 was introduced in August 2024 to strengthen disaster management and replace the National Security Council Directive (MKN) No. 20.<sup>149</sup> The new directive establishes mandates for government agencies, NGOs and private entities at all levels. In addition, a one-stop centre for risk simulations and real-time disaster information has been developed to strengthen disaster preparedness.

Malaysia has also outlined adaptation priorities through the NCCP 2.0 launched in 2024. Complementing the policy, the National Adaptation Plan (MyNAP) is being developed to integrate climate adaptation across all sectors through risk-based planning. The implementation of MyNAP will strengthen governance, facilitate private sector engagement, explore alternative financing opportunities and provide technical assistance, capacity building and institutional support at all levels.

### **Mainstreaming Biodiversity**

Malaysia reviewed its biodiversity policy and launched the NPBD to align with the Kunming-Montreal Global Biodiversity Framework, reaffirming the Government's commitment to conservation, sustainable use and equitable benefit-sharing. The policy aims to mainstream biodiversity by integrating conservation and sustainable resource management into sectoral policies. Since the VNR 2021, key spatial planning documents including the National Physical Plan, National Coastal Zone Physical Plan and Central Forest Spine Master Plan have been revised to incorporate biodiversity, climate resilience and SDG-related considerations for adoption under statutory land use plans at state and local levels.

### **Accelerating Nature Financing**

The federal Ecological Fiscal Transfer (EFT) scheme incentivises state governments to expand protected areas across terrestrial, inland, coastal and marine ecosystems. Since its launch in 2020, the annual EFT budget has grown from RM70 million to RM250 million in 2025, with ongoing improvements in disbursement mechanisms and criteria, as well as with integration into policy and legal frameworks.<sup>150</sup>

The Government has introduced enabling policies and explored sustainable financing mechanisms such as green bonds, sukuk, carbon taxes and sustainable investments to support conservation and create economic opportunities. In 2021, the Global Sukuk 2021, which amounted to USD1.3 billion was introduced, of which USD800 million is the world's first sovereign US dollar-denominated sustainability sukuk.

Further to the overwhelming demand for Global Sukuk 2021, the inaugural Sustainability Malaysian Government Investment Issues (MGII Lestari), a ringgit-denominated sustainability instrument in the domestic market was issued in 2022, amounting to RM4.5 billion and an additional of RM5.5 billion in 2023, thereby achieving commitment made under Budget 2022. In 2024, the Forest Conservation Certificate (FCC) was introduced under the Malaysia Forest Fund (MFF) to attract voluntary private sector contributions to forest conservation projects.

### Sustainable and Responsible Fisheries Management

Malaysia's efforts and achievements in sustainable fisheries management is driven by science-based approaches and effective law enforcement by the Department of Fisheries. In order to combat IUU fishing, the Government is tightening legislation and enforcement for both local and foreign vessels notably through the National IUU Main Committee. Additionally, the Malaysian Maritime Enforcement Agency (MMEA) has increased its operations, in collaboration with domestic and regional partners, MMEA supports the implementation of the National Plan of Action to Prevent, Deter and Eliminate IUU Fishing, contributing to maritime security as well as playing an active role in developing the Malaysia Blue Economy Blueprint. Regional collaboration is being enhanced through initiatives such as the ASEAN Guidelines for Preventing the Entry of Fish and Fishery Products from IUU Fishing Activities into the Supply Chain.

The National Agrofood Policy 2021-2030 (DAN 2.0) promotes sustainable fisheries and aquaculture to improve livelihoods of coastal and fishing communities. The EAFM was integrated into national policies, aimed at building capacity and developing site-specific management plans with community-based resource management. The Government also fosters greater participation among fishermen and local communities in conservation of marine and coastal resources, while improving their socio-economic status and livelihood.

#### Water Sector Transformation

Malaysia's Water Sector Transformation 2040 (Air 2040), launched in 2024, outlines a strategic agenda to ensure national water security, while positioning the water sector as a significant contributor to the economy. Air 2040 implemented in three phases. Phase (2021–2025) focuses on stabilising the sector by strengthening governance, building capacity, and initiating reforms such as reducing NRW. Phase 2 (2026-2030) aims to accelerate integration by coordinating river basin management, expanding infrastructure and introducing innovative financing models. Phase 3 (2031–2040) aspires to position Malaysia as a regional leader through advanced and local technologies, research and innovation and a fully modernised, economically viable water sector.

Air 2040's core objectives include strengthening water-food-energy nexus, developing home-grown technologies and establishing a national research hub to support data-driven decision-making. Key initiatives encompass IRBM, climate-resilient infrastructure investment. centralised water data systems and optimised water use across households, industries and agriculture. To support these goals, Government is also exploring PPP and alternative financing models. These efforts are expected to improve access to clean water, reduce flood risks and pollution and enable a more holistic and coordinated water resource management across governance levels.

Malaysia has strengthened pollution control by revising the Environmental Quality Act 1974 introducing stricter penalties and stronger enforcement based on the polluter-pays principle. Apart from the existing legislation, the Government is also increasingly adopting a pollution load management approach for rivers by assessing their capacity to absorb pollutants without compromising water quality. States such as Selangor, Perlis and Terengganu have taken steps to establish their own statutory body to strengthen water resources management. Selangor's Water Management Authority, as a statutory body has begun enforcing policies such as the Zero

Discharge Policy and establish river reserve protection zones to address water pollution.

#### **Climate Resilient Cities**

Cities are increasingly adopting climate resilience measures through the implementation of green and resilient city concepts, such as sponge cities and low-carbon cities. Penang's Nature-Based Climate Adaptation Programme (2023–2027), supported by international climate finance, addresses urban heat and flooding through nature-based solutions and capacity building for local authorities. Melaka, under the 100 Resilient Cities programme, has developed a dedicated unit under the city council to implement resilience strategies. The Kuala Lumpur Climate Action Plan 2050, developed with technical support from the C40 Cities Climate Leadership Group, emphasises the strengthening of community resilience in low-income areas.



### **International Collaboration and Partnerships**

Malaysia continues to engage in international platforms such as the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) and the Science Panel for Borneo (SPB). CTI-CFF is a multilateral partnership of six countries in the Asia Pacific region, aimed at safeguarding and sustainably managing the region's marine and coastal resources. The SPB facilitates joint efforts between Malaysian, Indonesian and ASEAN stakeholders to provide science-based recommendations for forest and biodiversity conservation, carbon sinks and sustainable development.



### **Challenges and Way Forward**

Malaysia will navigate the triple planetary crisis more proactively, through a holistic and future-oriented approach, ensuring progress on multiple fronts. Addressing the complex and multi-faceted triple planetary crisis requires a new development model that respects the planetary boundaries. Malaysia developing is complementary indicators for social well-being, ecological health and natural capital accounting, to comprehensively illustrate nature's role in the economy beyond GDP. A National Planetary Health Action Plan will integrate planetary health into principles national policies through multi-stakeholder collaboration.

Current funding levels of conservation financing remain inadequate relative to the significant economic and societal benefits that biodiversity and ecosystem services provide. The Government will continue to advance conservation financing and expand state revenue streams beyond extractive activities through financing mechanisms such as high-quality carbon trading, blended financing, conservation funds and payment for ecosystem services. Sustainable taxonomies and financing tools are in development to promote nature-positive investment that supports climate resilience.



Malaysia has made important progress in addressing climate change. However, its efforts are primarily towards mitigation and low carbon development. Moving forward, Malaysia will continue prioritising climate adaptation and mitigation, shifting to an integrated and risk-based approach that leverages nature and emerging technologies guided by the MyNAP. Immediate adaptation measures will focus on key sectors, in line with the NCCP 2.0 and Malaysia's Nationally

Determined Contribution (NDC) including water security, coastal resources, agriculture and food security, infrastructure and cities, public health and forestry and biodiversity.

Climate-resilient communities will be strengthened community-based through disaster management by equipping vulnerable groups with necessary resources, knowledge and skills, and collaborating with NGOs to enhance resilience and recovery. This will be complemented by shock-responsive measures such as transfers, crop insurance, disaster risk insurance and youth development programs, supported by systems to identify populations at risk and scale up support.

Recognising the gap in marine jurisdiction for integrated and sustainable management, Malaysia is committed to advancing its blue economy goals and ensuring the responsible use of marine resources. The Malaysia Blue Economy Blueprint will be developed alongside the adoption of Marine Spatial Planning (MSP) to optimise zoning for marine activities, conservation and national marine assets. The Fisheries Act 1985 will be reviewed to strengthen enforcement against IUU fishing and improve regulations on aquaculture, biosecurity and coastal development impacts on fisheries. Income diversification for coastal will communities be promoted through eco-tourism and aquaculture, as means to protect marine ecosystem and biodiversity as well as to reduce pressure on wild fish stocks.

Existing environmental governance and legislative frameworks are not sufficiently robust to address rapidly evolving pollution sources and emerging trends. Pollution and development impact management will be strengthened by undertaking further amendments to the Environmental Quality Act 1974. The amendments will expand the legislation scope covering areas such as emerging pollutants and improved access to environmental information information. The Government will also strengthen mechanisms to incorporate climate and biodiversity risks into development planning and impact assessments.

### THEME 2: PURSUING NET ZERO EMISSIONS AND GREEN TRANSITION

Malaysia aims to achieve high-income status and is projected to have a larger population of 36 million by 2030, as compared to 34 million in 2024. This growth is expected to accelerate urbanisation and industrialisation that intensifies pressures on land, resources and supply chains, while increasing waste and emissions.

Concurrently, evolving policies and market demands to meet the global sustainability commitments continue to shape trade and investment. Malaysia as a trade-oriented economy, is exposed to these trends, such as carbon border adjustments and deforestation-free regulations. At the same time, ESG-driven finance has made commitments to climate action as a prerequisite for capital allocation with increasing sustainability requirements.

This transition provides both risks and opportunities as Malaysia proactively builds a high-value green economy and advances the SDG. Efforts are underway to attract investments and build domestic capacity to lead in new growth sectors such as green mobility, renewable energy, carbon capture and circular economy. The Government is committed to ensuring that investments in carbon projects, energy transition and critical minerals consider social and environmental well-being. These efforts will emphasise nature and biodiversity as strategic assets essential to achieving Malaysia's net-zero ambition and long-term climate resilience.

### **Status and Progress**

### **Climate Mitigation and Greenhouse Gas Emissions**

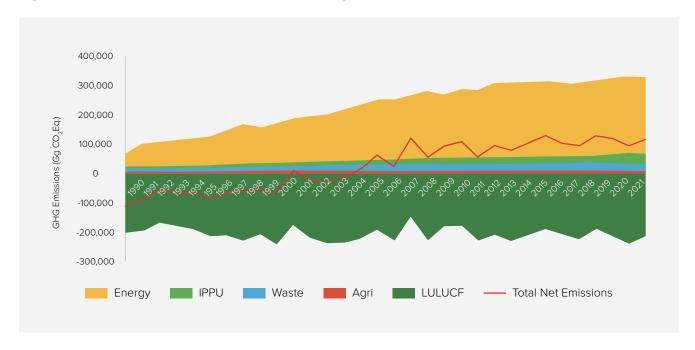
Malaysia's greenhouse gas (GHG) emissions have increased from 255.5 million tonnes CO2eq in 2005 to 327.7 million tonnes CO2eq in 2021, with the energy sector contributed over 79%, mainly from energy production and transportation (Figure 4.5). Despite increased emissions, Malaysia's forest and land continue to offset approximately 65% of gross emissions, distinguishing its decarbonisation and net-zero pathway from those of advanced industrialised nations. <sup>152</sup> See Table 4.8 for details.

Table 4.8: Total GHG Emissions Per Year [Indicator 13.2.2]

| Year | GHG Emissions by Sector(Million Tonnes COeq) |           |             |             |           | Total Emissions/Removals(Gg CO2 eq.) |                  |  |
|------|--|-----------|-------------|-------------|-----------|--------------------------------------|------------------|--|
|      | Energy                                       | IPPU      | Agriculture | LULUCF      | Waste     | Excluding LULUCF                     | Including LULUCF |  |
| 2005 | 205,464.65                                   | 15,060.35 | 10,456.28   | -190,718.74 | 24,526.12 | 255,507.41                           | 64,789.67        |  |
| 2019 | 261,393.21                                   | 32,544.89 | 7,804.10    | -209,290.63 | 25,621.59 | 327,363.79                           | 118,073.16       |  |
| 2021 | 259,666.83                                   | 37,028.35 | 7,310.04    | -212,284.33 | 23,667.15 | 327,672.37                           | 115,388.04       |  |

Note: LULUCF = land use, land use change and forestry. Source: Malaysia's 1st Biennial Transparency Report (2024)

Figure 4.5: Time Series of GHG Emissions in Malaysia



Source: Malaysia's first Biennial Transparency Report (2024)

While absolute emissions have increased, Malaysia reduced its emission intensity by 37.12% in 2021 compared to 2005. This reflects a shift towards cleaner growth, achieved through initiatives in the energy and industrial sectors such as renewable energy expansion via FiT, NEM, and LSS schemes, improved energy efficiency, reduced venting and flaring in the oil and gas industry, and increased paper recycling.



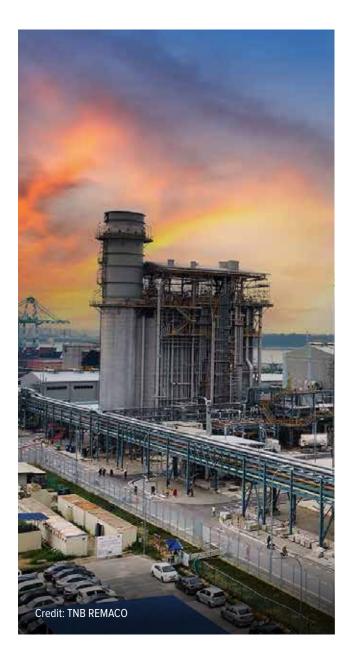
#### **Sustainable Consumption and Production Framework**

Since 2021, Malaysia has strengthened its Sustainable Consumption and Production (SCP) framework across major economic sectors to enhance competitiveness and sustainability, aligning with international market requirements, regulatory standards and evolving consumer expectations. Various sector-level policies and roadmaps that supports SCP include:

- National Energy Transition Roadmap (2023):
   Guides the energy transition away from fossil fuels towards a low-carbon, resource-efficient economy, through six energy transition levers, namely: Energy Efficiency, Renewable Energy, Hydrogen, Bioenergy, Green Mobility and Carbon Capture, Utilisation and Storage.
- Energy Efficiency and Conservation Act 2024: Regulates energy use by mandating large energy consumers to appoint energy managers, develop energy management systems and conduct energy audits, including penalties for non-compliance after a 12-month grace period.
- National Industrial Master Plan 2030: Aligns
  the manufacturing sector with SCP by driving
  net-zero ambitions through energy efficiency,
  waste management, RE adoption, and
  technology. This is complemented by the
  Circular Economy Policy Framework for the
  Manufacturing Sector 2024, which
  implements Extended Producer Responsibility
  (EPR) to ensure circular economy practices
  throughout product lifecycles.
- National Agri-commodity Policy 2021-2030:
   Prioritises sustainability to advance a resilient commodity industry across eight sectors: palm oil, rubber, timber, cocoa, pepper, plant-based fibre, biomass, and biofuel. It emphasises certification and reducing GHG emissions via biofuels and biogas capture.
- Malaysian Sustainable Palm Oil (MSPO) 2.0: effective 1 January, 2025, enhances MSPO 2013 with stricter guidelines for sustainability, traceability and ethical palm oil production, aligning with global standards.

 Third National Mineral Policy: Guides sustainable mineral industry development, while Standard Operating Procedures (SOPs) for Non-Radioactive Rare Earth Elements (NR-REE) Mining guide sustainable NR-REE mining activities at the state level.

Other sectors have also embraced SCP approaches, with the Ministry of Health implementing sustainability initiatives in healthcare facilities, focusing on energy, water and waste management to strengthen climate action.



#### **Waste Management**

The national recycling rate reached 35.4% in 2023 (Figure 4.6), largely due to the promotion of the 3R policy (Reduce, Reuse, Recycle) via incentives, campaigns, education and improved infrastructure. The Solid Waste Management and Public Cleansing Act 2007 which also mandates waste separation, has been adopted by six states and two federal territories, with ongoing efforts to expand its adoption nationwide.

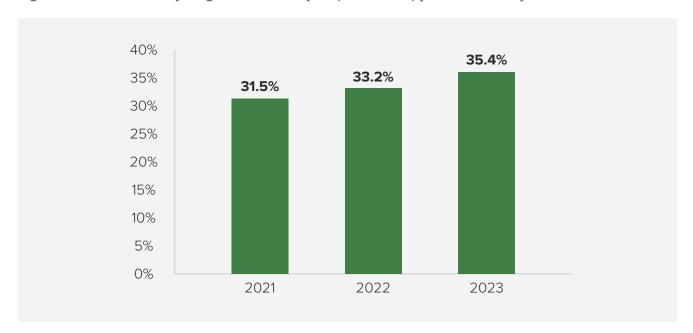


Figure 4.6: National Recycling Rate for Malaysia (2021-2023) [Indicator 12.5.1]

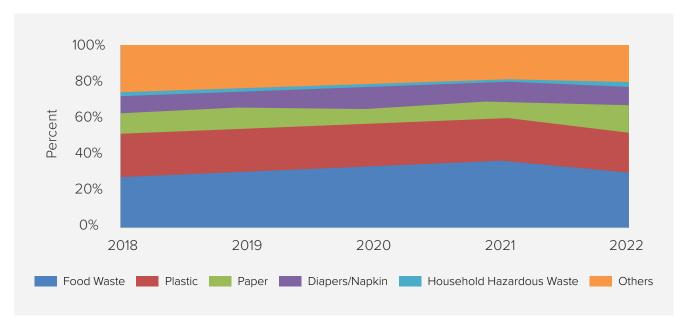
Source: DOSM, SDG Dashboard, Ministry of Local Government Development, National Solid Waste Management Department

While the recycling rate shows a positive trend, total waste continues to increase in tandem with population growth, lifestyle changes and urbanisation. The Solid Waste Management and Public Cleansing Corporation (SWCorp) reports that, on average, Malaysians generate approximately 39,000 tonnes of solid waste daily (1.17 kg per person), with food waste exceeding 30% (Figure 4.7). The Government has accelerated efforts to address food waste across its lifecycle through various policies and programmes, from reducing consumption to recovery.

Plastics comprise over one-fifth of total waste. Since 2021, efforts have focused on curbing single-use plastics and supporting the development of a circular plastics economy, guided by the Malaysia Plastic Sustainability Roadmap 2021-2030. In 2024, the Circular Economy Blueprint for Solid Waste (2025-2035) was introduced to advance this agenda, focusing on reducing landfill waste through zero-waste-to-landfill certification, recycling, EPR and pay-as-you-throw schemes.



Figure 4.7: Solid Waste Composition for Malaysia (2018-2022)



Note: Data is only for states adopting regulations under the Solid Waste and Public Cleansing Management Act 2007: Johor, Kedah, Melaka, Negeri Sembilan, Pahang, Perlis, W.P. Kuala Lumpur, and W.P. Putrajaya. Source: DOSM, Compendium of Environment Statistics, Malaysia (2023), SWCorp (2023)

Clinical waste peaked at 57.8 thousand tonnes in 2021 during the COVID-19 pandemic, declining to 41.8 thousand tonnes over the following two years. Scheduled waste generation from Malaysian industries increased from 4 million tonnes in 2019 to 5.9 million tonnes in 2023, particularly from coal-fired power plants, metal refineries, e-waste and scheduled waste treatment facilities. The Government is actively implementing comprehensive strategies to enhance scheduled waste management, focusing on regulatory enforcement, infrastructure development and the promotion of sustainable practices among industries. Table 4.9 presents the selected indicators for SDG 12.

Table 4.9: SDG 12 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |  | Indicator             | Description   | National Performance |             |             |  |
|-------------------|--|-----------------------|---|----------------------|-------------|-------------|--|
|                   |  |                       |   | 2021                 | 2022        | 2023        |  |
| 12.2              | Achieve sustainable management and efficient use of natural resources. | 12.2.2                | Domestic material consumption,<br>domestic material consumption<br>per capita, and domestic material<br>consumption per GDP | 31                   | 28.6        | NA          |  |
| 12.4              | Ensure environmentally sound management of chemicals and waste.        | 12.4.1                | Number of participations in international multilateral environmental agreements   | 17                   | 17          | 17          |  |
|                   |  | 12.4.2 (a)<br>(Proxy) | Quantity of clinical wastes handled<br>for destruction by incinerators<br>(tonnes)  | 57,378.5             | 49,131.6    | 41,794.3    |  |
|                   |  | 12.4.2 (b)<br>(Proxy) | Quantity of scheduled waste managed (tonnes)  | 7,505,196.0          | 5,915,073.0 | 5,841,594.0 |  |

Chapter Four: Progress on the Planet Pillar

| Target (in brief) |  | Indicator  | Description  | National Performance |             |             |
|-------------------|--|------------|--|----------------------|-------------|-------------|
|                   |  |            |  | 2021                 | 2022        | 2023        |
|                   | Substantially reduce waste through prevention, reduction, recycling and reuse.               | 12.5.1 (a) | National recycling rate (%)  | 31.5                 | 33.2        | 35.4        |
| 12.5              |  | 12.5.1 (b) | Tons of material recycled  | 4,385,386.4          | 4,626,333.0 | 4,933,542.1 |
| 12.a              | Support developing countries' scientific and technological sustainable consumption capacity. | 12.a.1     | Installed renewable energy-<br>generating capacity (watts per<br>capita) | 249.6                | 259.6       | NA          |

Source: DOSM, Energy Commission, Ministry of Natural Resources and Environmental Sustainability, Ministry of Housing and Local Government, Department of Environment, National Solid Waste Management Department

### Sustainability Reporting and Environmental, Social and Governance

Since 2016, Bursa Malaysia has mandated sustainability reporting for all 995 public listed companies. Introduced in 2022, the Enhanced Sustainability Reporting Framework requires listed companies in the Main Market to disclose sustainability information aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The FTSE4Good Bursa Malaysia Index, as a global benchmark for ESG adherence recorded an increase from 75 companies in 2020 to 109 in 2023.

Complementing this, the National Sustainability Reporting Framework (NSRF) mandates a phased approach, covering listed companies in Main Market, ACE Market companies and large non-listed companies beginning in 2025. The NSRF also sets a mandatory requirement for Scope 3 GHG emissions reporting starting from 2027 which will accelerate the ESG adoption across the private sector.

### **Environmental Awareness and Green Lifestyles**

Climate change education, awareness and institutional capacity have expanded as a result of collaborative efforts among stakeholders, driven by the Government and organisations such as Malaysian Climate Change Group and Climate Governance Malaysia. Coalitions such as *Sahabat Alam Malaysia* (SAM), Malaysian Youth Delegation (MYD) and Klima Action Malaysia (KAMY), help raise public awareness and advocate for climate change policies, highlighting emerging concerns such as just transition, carbon trading, climate justice and environmental rights. Other initiatives such as Local Agenda 21 (LA21) Programme are also undertaken by the Government in collaboration with local authorities to promote sustainable development and an improved quality of life through community engagement, with activities such as clean-up campaigns and reforestation programmes.

Policies such as the National Low Carbon Cities Masterplan, NCCP 2.0 and Circular Economy Blueprint for Solid Waste (2025-2035) promote green, low-carbon and sustainable living among the public in collaboration with local authorities, business, CSOs and consumer associations. Educational institutions have also provided training to educators on sustainability and zero-waste lifestyles in schools to inculcate environmental values to drive behavioural change from a young age.



### **Present Efforts**

### Policy and Legal Infrastructure for Climate Action

The Government has updated its climate change policy in 2024, with the NCCP 2.0 serving as the main policy framework guiding the transition towards low-carbon economy and climate-resilient development. The policy mandates the development of instruments to strengthen regulatory and institutional capacity in climate action, including the upcoming National Climate Change Act (RUUPIN) which will regulate and coordinate climate action across all levels and sectors to fulfil Malaysia's climate obligations and commitments.

### **Net Zero GHG Emissions and Climate Targets**

Malaysia has two key climate targets, namely a 45% reduction in economy-wide carbon intensity by 2030 (from 2005 levels) under its enhanced NDC and achieving net-zero emissions by 2050. These targets are supported by the NDC Roadmap and Action Plan and the Long-Term Low Emissions Development Strategy (LT-LEDS), which outline sectoral pathways and strategies for decarbonisation across key emitting sectors.

A key pillar of Malaysia's net zero journey is the Responsible Transition (RT) Pathway 2050, introduced in 2023 under NETR. Building on the National Low Carbon Aspiration 2040, the RT sets targets by 2050, such as 70% renewable energy, coal phase-out, 60% public transport modal share, and 80% EV adoption. With 50 initiatives across six energy transition levers, the RT is projected to reduce energy sector emissions by 37% from 2019 levels (with successful CCS). Achieving net-zero will depend on reductions in non-energy sectors and sustained carbon sinks offsetting 215 MtCO<sub>2</sub> by 2050, requiring conservation of forests, peatlands and other natural carbon reservoirs.

Several states have initiated climate and net-zero policies, including Sarawak through the Net Zero

and Carbon Plan and the Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023, promoting renewable energy (particularly hydrogen) as an economic driver. Several cities have also set their emissions reduction target, guided by the National Low Carbon Cities Masterplan, which aims for a 33% GHG emission reduction by 2040 and carbon neutrality by 2060, with phased timelines based on city classifications.

### Institutional Framework for Climate Action and Sustainability

Malaysia has strengthened its institutional platforms for a more participatory and coordinated climate change response. The Malaysia Climate Change Action Council, chaired by the Prime Minister, compromising federal ministers and state chief ministers, remains the decision-making body, guiding strategic direction and policy. The Meeting of Environmental Ministers State Government Council (MEXCOE), chaired by the Minister of Natural Resources and Environmental Sustainability, serves as a key collaboration platform between federal and state levels. States such as Johor and Sabah have established sub-national climate councils.

The Climate Change Consultative Panel was introduced in 2023 to increase civil society and youth participation in contributing to national climate action and diplomacy. The Climate Advisory Panel engages business, industries and the financial sector to ensure climate policy aligns with economic and investment priorities. At the sectoral level, several committees have been established to streamline decision-making and enhance inter-ministerial coordination across different focus areas and initiatives such as decarbonisation, mineral, water, biodiversity, energy and physical planning.

### **Carbon Pricing and Carbon Market**

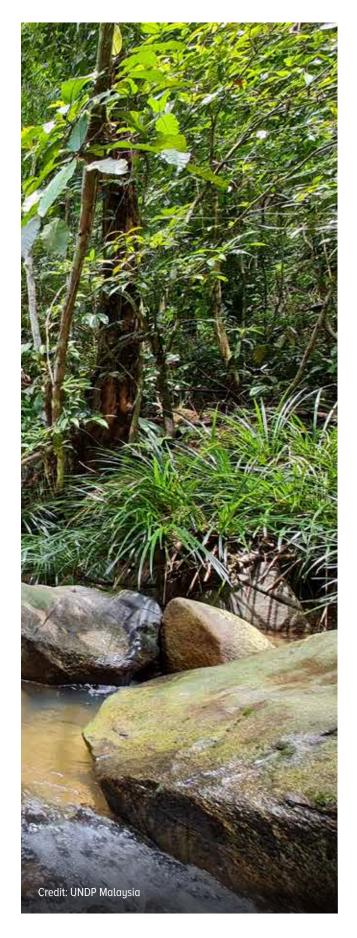
The introduction of the carbon tax in 2026, starting with iron, steel and energy sectors, is expected to drive low-carbon industry growth by incentivising emissions reduction through investment in cleaner alternatives. The proceeds from the tax will be used to fund research and development in green technology. Malaysia is also rationalising fossil fuel subsidies to encourage energy efficiency and reduce fiscal burdens to the Government.

Since 2021, Malaysia has increased efforts to enhance the carbon market ecosystem through various initiatives. Bursa Carbon Exchange (BCX), launched in December 2022, is the world's first Shariah-compliant carbon exchange which facilitates trading of standardised carbon credits products. The auction in July 2024 that featured Malaysia's first nature-based carbon credits from the Kuamut Rainforest Conservation Project in Sabah, covering restoration efforts across over 83.000 hectares.

In addition, forest-based carbon projects are scaled up through the MFF to enhance the forestry sector's role in generating tradable carbon credits and to explore new revenue streams for the government. The Forest Carbon Offsets (FCO), a financing mechanism launched under MFF in 2024 allows entities to offset emissions through verified investments in forest carbon projects. In enhancing the carbon market credibility, Malaysia is also developing national carbon standards and methodologies for carbon accounting, verification and certification.

### **Sustainable and Climate Finance**

The Green Investment Strategy (GIS) was introduced in 2024, with the aim of attracting RM300 billion in green investments by 2030, focusing on, among others, renewable energy, energy efficiency and green technology. This strategy is expected to contribute RM80 billion to the nation's GDP and create approximately 350,000 additional high-skilled jobs. Malaysia has also pioneered in Islamic green financing since





2017 through Sustainable and Responsible Investment (SRI) Sukuk with 262 out of 291 green sukuk issuances globally as at July 2024<sup>157</sup>.

Climate risks and sustainability are increasingly embedded in financial policy, investment flows and banking regulations. Bank Negara Malaysia (BNM) mandates climate considerations for financial institutions under its supervision through the Climate Change and Principle-based Taxonomy, guiding capital flows towards sustainable activities. Stress tests by BNM are ongoing to measure financial institutions' exposure to climate risks.

The Joint Committee on Climate Change (JC3), co-chaired by BNM and the Securities Commission (SC), supports financial institutions in integrating climate risk into lending decisions, particularly for sectors exposed to carbon pricing and global market shifts. Major commercial banks are tightening lending criteria for carbon-intensive industries, expanding sustainability-linked loans and supporting transition finance, especially for hard-to-abate industries and small and medium enterprises (SMEs).

### Circular Economy and Integrated Waste Management

Malaysia is adopting a circular economy to move away from the conventional (take-make-dispose) model, aiming to reduce, reuse and recycle resources to close the loop and maximise resource efficiency. This shift is reinforced through policies under the SCP Framework, such as the Circular Economy Blueprint for Solid Waste (2025-2035). Key initiatives include zero-waste-to-landfill certification for manufacturers and the introduction of EPR. The Government is also conducting a feasibility study on a Circular Economy Act to accelerate implementation, provide incentives and increase R&D investments for circular economy.

Malaysia is diversifying its waste management strategies to reduce dependence on landfills, which is projected to reach full capacity by 2050. Chapter Four: Progress on the Planet Pillar

Part of the strategies includes shifting towards sanitary landfills, a waste disposal facility where waste is systematically buried and covered with soil to minimise environmental and health risks, and waste-to-energy (WtE) plants which include

incineration facilities to generate electricity. The Government aims to develop a WtE plant in every state by 2035. These efforts are in line with the NETR and support the country's net-zero aspirations.

### **Challenges and Way Forward**

As an oil and gas producing country with a relatively low historical emissions footprint, Malaysia has set ambitious climate targets, including net-zero emissions by 2050. However, the complexity surrounding federal and state jurisdictions over carbon-related matters poses challenges that need to be addressed. As more states proactively develop their own climate strategies and legislation which may vary from national policies, continuous engagements between federal and states will be pursued by both parties to ensure mutual and cohesive climate outcomes.

Malaysia's pathway to net zero requires diversified technologies while ensuring a just transition. Existing renewable energy technologies provide the solution to meet the net-zero target but pose technical constraints in ensuring energy security. Hence, Malaysia will continue exploring technologies such as energy storage solutions, small modular reactors and Carbon Capture, Utilisation and Storage (CCUS).

Recognising the potential of CCUS as a high-growth, high-value industry, the CCUS Act was enacted as a comprehensive legislative framework for regulating the process of capturing, transporting, utilising and storing carbon dioxide. This will strengthen Malaysia's role in cross-border carbon management and contribute to economic growth. Successful implementation of CCUS is expected to reduce GHG emissions by 5% in 2050, particularly in hard-to-abate industries, thereby supporting progress towards meeting the net-zero target.

The transition to green economy may pose social risks such as job redundancy in high-emitting sectors namely energy, oil and gas, and automotive, affecting the well-being of communities employed in these industries. The Government will prioritise reskilling and upskilling the workers in the affected industries and develop a new workforce to meet the demand of the green economy. This will help ensure a just and equitable transition to a more sustainable future.

In leveraging the potential of carbon credits generated from forestry sectors and NbS which could fetch a premium price in global market, there is a risk of overselling the credits that might jeopardise the NDC commitment and net-zero goals. The upcoming National Carbon Market Policy will guide carbon trading activities in both the compliance and voluntary markets, while the National Climate Change Act will establish data systems to track carbon trading and undertake corresponding adjustments under the United Nations Framework Convention on Climate Change (UNFCCC).

As a developing nation, Malaysia faces challenges in mobilising financial resources for its climate goals. For instance, an estimated RM1.2 trillion is needed for energy transition, while RM392 billion is estimated as a long-term solution to mitigate flood and coastal erosions through phased implementation. In its efforts to scale up financing, the Government will enhance market-enabling policies and incentives, expand blended financing and improve access to international climate finance.

Solid waste generation, especially in urban areas, remains high and recycling rates are uneven across states. Public awareness, limited segregation at source and infrastructure gaps have slowed the effectiveness of 3R programmes. Strengthening circular economy policies, enhancing waste collection systems and improving behavioural change through education will contribute to mitigating this barrier.

Chapter Four: Progress on the Planet Pillar

Malaysia has made progress in ESG reporting, though adoption remains concentrated among large corporations, while SMEs still face challenges in complying with sustainability requirements. As more jurisdictions link business practices to taxation and compliance, ensuring SMEs readiness to undertake sustainability disclosures is increasingly important. The Government continues to work with stakeholders to provide guidelines, data support and capacity-building to support broader ESG adoption.

Malaysia is pursuing a shift towards a circular economy, but various challenges remain, particularly in managing sentiments and high capital investment required for WtE projects. In response, data-driven decision-making will be prioritised to raise societal awareness and encourage adoption of proven and safe technologies. Additionally, the limited availability of products and services that meet sustainability criteria, coupled with low consumer awareness of such products in the market, presents a barrier to sustainable consumption. Focus will be directed towards promoting eco-labelled products and services, aimed at helping consumers make more informed choices in support of sustainable consumption.





### BOX ARTICLE 4.1: ADDRESSING CLIMATE CHANGE IMPACTS AT COASTAL AREAS

Global climate change has resulted in rising sea levels and extreme weather events in coastal areas such as Tumpat in Kelantan, Kuala Kedah in Kedah and Mukah in Sarawak, placing communities at risk of displacement. These areas already experience coastal erosion and flooding which has resulted in the loss of land and affected residents' livelihoods. The adoption of comprehensive climate adaptation strategies is fundamental to addressing this escalating crisis.

One of the adaptation strategies implemented through collaborative efforts is the construction of barriers against coastal erosion and storm surges, including nature-based solutions such as mangrove reforestation and physical structures, namely sandbags and sea walls where suitable. In areas which have become uninhabitable, high-risk communities are relocated to safer locations, accompanied by the development of support systems to ensure the well-being of displaced individuals. Meanwhile, latest technologies such as satellite imaging, are being leveraged to simulate high-risk coastal areas to enable evidence-based decision making for future development and mitigation actions by local authorities. By integrating adaptation strategies and long-term resettlement policies, Malaysia is better prepared to confront the challenges posed by climate change in coastal areas, safeguarding its communities and ensuring a more resilient future.

# BOX ARTICLE 4.2: CIVIL SOCIETY AND THE GROWING MOMENTUM IN ENVIRONMENTAL AND CLIMATE ACTION

Civil society movements in Malaysia have played an increasingly pivotal role in shaping environmental and climate actions. This growing momentum reflects the heightened urgency of climate challenges and the positive influence of grassroots efforts, policy advocacy and multi-stakeholder collaborations. The Third World Network (TWN), founded in Malaysia is a globally recognised organisation that continues to lead Global South advocacy in climate diplomacy while contributing to the development of national environmental and climate policies. Its sister organisation, SAM, complements this work by elevating grassroots concerns and ensuring that national-level advocacy reflects the lived realities of vulnerable communities.

The role of CSOs in supporting national environmental and climate action has become more prominent in the governance structure, integrating civil society perspectives into the policymaking process. For instance, CSOs were involved in drafting policies namely the National Action Plan for Business and Human Rights, launched in 2024 and the upcoming National Planetary Health Action Plan by providing inputs on areas such as public health, economic development, legislation and indigenous knowledge. This ensures a more inclusive policymaking to address the issues faced at the grassroot level.

Malaysia's environmental movement has also evolved to be more diverse and inclusive, with representation of youth, indigenous communities and gender perspectives. Organisations such as the MYD have continued to champion youth representation in climate policy and diplomacy. The Youth Environment Living Labs, a joint programme by UNDP Malaysia and UNICEF Malaysia, serves as a platform for youth to participate in grassroots-led environmental initiatives while amplifying local narratives. KAMY, a climate justice organisation, has been instrumental in advocating for rights-based approaches in addressing climate change, while Apa Kata Wanita Orang Asli, a women- and youth-led indigenous movement, advocate for their communities through creative storytelling.





# BOX ARTICLE 4.3: FINANCING CLIMATE ACTION THROUGH BURSA CARBON EXCHANGE

Malaysia's push for a greener economy and net-zero transition took a major step forward with the launch of the Bursa Carbon Exchange (BCX) in December 2022 - the world's first Shariah-compliant VCM. BCX offers a transparent platform for organisations to trade carbon credits to offset their emissions in adherence to Islamic finance principles. Operating on a pre-funded model to reduce counterparty risk, BCX offers three trading mechanisms namely auctions, continuous trading and off-market transactions. Only carbon credits that meet international standards, such as Verra's Verified Carbon Standard (VCS) and issued from 2016 onwards, are eligible for trading.

BCX issued 150,000 carbon credit contracts which involved 15 buyers, in its first auction in March 2023. This auction led to the market-based price setting of two product categories: the Global Technology-Based Carbon Contract and the Global Nature-Based Plus Carbon Contract. Another milestone was achieved in July 2024 with the first Malaysian nature-based carbon credit auction, featuring credits from the Kuamut Rainforest Conservation Project, a PPP between Permian Malaysia, Sabah Forestry Department, Rakyat Berjaya Sdn. Bhd. and Yayasan Sabah, with operational support from PACOS Trust and South East Asia Rainforest Research Partnership (SEARRP), protecting over 83,000 hectares of tropical rainforest in Sabah. Beyond carbon trading, BCX also trades Renewable Energy Certificates (RECs), each representing one megawatt-hour (MWh) of renewable energy, to support the NETR and corporate sustainability commitments.

BCX reflects Malaysia's pragmatic approach to climate finance and 2050 net-zero target, blending sustainability with Shariah principles and widening access to the carbon market. With cross-border trading planned by 2025, BCX is poised to play a critical role in enabling transparent, high-integrity carbon markets and supporting Malaysia's transition towards a low-carbon future, while spurring the growth of green economy.

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# BOX ARTICLE 4.4: BUILDING URBAN RESILIENCE IN PENANG THROUGH NATURE-BASED CLIMATE ADAPTATION AND MULTI-STAKEHOLDER PARTNERSHIPS

Urban areas in Malaysia are increasingly experiencing climate change effects such as flash floods, rising temperatures and urban heat island effects. In the case of Penang, the state has taken pioneering steps to address climate change impacts by integrating nature into its urban resilience strategy through the Penang Nature-Based Climate Adaptation Programme (PNBCAP). This is the first municipal-level initiative in the country to systematically embed NbS into city development planning.

The PNBCAP is a five-year programme, launched in 2019 led by Think City in collaboration with UN-Habitat, the Ministry of Natural Resources and Environmental Sustainability, the Penang State Government, the Penang Island City Council and the Department of Irrigation and Drainage. The programme secured USD10 million in funding from the Adaptation Fund of UNFCCC to focus on two rapidly urbanising districts, George Town and Bayan Lepas, that face the growing risks of flash floods, urban heat island effects and extreme weather events.

Key interventions of the PNBCAP include urban greening initiatives such as vertical gardens, green rooftops and the revitalisation of degraded urban spaces to reduce ambient temperatures and improve stormwater absorption. The Urban Greening Grants Programme was launched to support building owners and communities to install green infrastructure and increase vegetative cover. In addition, new stormwater management practices, anchored in NbS principles, are being deployed to reduce surface runoff and flood risks.

Beyond physical interventions, PNBCAP also emphasises social resilience by engaging vulnerable communities in planning processes and strengthening their adaptive capacities. Capacity building for local authorities is another priority, aiming to embed climate adaptation into development plans for long-term resilience. The programme also includes a knowledge transfer component to enable its methodology to be scaled and adopted by other cities across Malaysia and the region. It targets over 343,000 direct beneficiaries, with broader indirect impacts estimated to reach an additional 311,000 individuals. PNBCAP's approach has also gained international recognition, winning the Climathon Global Cities Award 2020 and being featured in the BBC StoryWorks series "Transforming Cities" in 2024.

Penang's case study demonstrates the viability of mainstreaming NbS within urban adaptation planning through climate finance, community-based approach and multi-stakeholder partnership. As Malaysia advances its sustainable urban development agenda, PNBCAP stands as a replicable model of how cities can leverage nature to safeguard communities, built environment and natural ecosystems, simultaneously contributing to the achievement of SDG 11, SDG 13 and SDG 17.





## BOX ARTICLE 4.5: HARMONISING DEVELOPMENT AND ENVIRONMENT THROUGH ECRL'S WILDLIFE FRIENDLY DESIGN

The East Coast Rail Link (ECRL) is a nationally strategic infrastructure project and was recognised by the Malaysia's Book of Records in 2025 for constructing the "Most Wildlife Culvert Crossings in a Single Railway Project". This involved 28 crossings built along its 665-kilometre alignment, connecting the east coast states of Kelantan, Terengganu and Pahang with the Klang Valley on the west coast of Peninsular Malaysia. It sets a benchmark for integrating wildlife conservation into infrastructure in Malaysia and Southeast Asia.

The ECRL project, while improving regional connectivity and spurring economic growth, it posed environmental challenges due to its significant scale and length which traverses sensitive ecosystems including the Central Forest Spine, the habitats for endangered species such as Malayan tigers, elephants, tapirs and sun bears. To mitigate environmental impact, the ECRL incorporated wildlife-friendly features through collaboration with China Communications Construction Company (ECRL) Sdn Bhd, Malaysia Rail Link Sdn Bhd and the Department of Wildlife and National Parks (PERHILITAN).

The project prioritises strategies to avoid and minimise environmental impacts through rerouting the alignment and constructing tunnels through hilly areas, reducing habitat loss from over 2,000 hectares to approximately 276 hectares. Where rerouting and tunneling were not feasible, wildlife crossings including box culverts and specially designed underpasses, were built to facilitate safe animal passage and reduce human-wildlife conflicts. In addition, the project has a Wildlife Management Plan (WMP), backed by RM9.2 million in funding from CCCC (ECRL) Sdn Bhd and in partnership with PERHILITAN, to undertake other mitigation measures including monitoring, capacity building, habitat enrichment, awareness and education.

The ECRL demonstrates that mega infrastructure projects can significantly reduce ecological impacts through careful planning and stakeholder collaboration. It reflects Malaysia's commitment to balancing economic growth with conservation and supports SDG 15. It also sets a benchmark that explores the requirements for incorporating wildlife impact assessments for future development projects.

# BOX ARTICLE 4.6: EXPANDING MALAYSIA'S CIRCULAR ECONOMY: EPR AND SUSTAINABLE AVIATION FUEL

Malaysia's transition towards a conducive circular economy ecosystem is pivotal to supporting the country's net-zero ambitions while enabling the growth of green economy through new sustainable industries. Decarbonising domestic industries is crucial through resource optimisation and reducing consumption of virgin resources and post-production waste. Sustainable waste management remains a challenge, particularly in industrial hubs like Pasir Gudang and Iskandar Malaysia in Johor. Without systemic changes, waste generation is likely to continue rising, placing pressure on landfills and the environment.

In pursuing this transition, Malaysia plans to implement a mandatory EPR scheme holds for the manufacturing sector within the next three to five years. The EPR scheme holds manufacturers accountable for the entire lifecycle of their products which encourages them to design more sustainable packaging and improve waste collection. Additionally, incentivising the use of sustainable packaging can encourage industry development towards biodegradable or reusable alternatives, thus reducing dependency on single-use plastics.

Additionally, Malaysia is committed to complying with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) by the International Civil Aviation Organization (ICAO). Under this scheme, international aviation emissions are to be capped at 2019 levels. Sustainable Aviation Fuel (SAF) represents a promising pathway to decarbonise aviation while unlocking new avenues for green industrial growth, positioning biofuels as a key pillar in achieving net-zero emissions and reducing reliance on fossil fuels. SAF will assist airlines, haulage companies and the shipping industry, among others, in adopting more sustainable practices to reduce their emissions.

PETRONAS, together with partners Enilive and Euglena, will build its first SAF biorefinery at Johor's Pengerang Integrated Complex, positioning it as a regional biofuel hub. Leveraging existing infrastructure of waste management, the facility is designed to process 650,000 tonnes of raw materials annually, including used cooking oil, palm-based residues, and municipal waste to produce SAF, hydrotreated vegetable oil, and bio-naphtha. SAF development not only contributes to decarbonisation but also enhances Malaysia's green industrial growth and regional competitiveness.

The alignment with Malaysia's broader climate ambitions, the NETR, the Circular Economy Policy Framework for the Manufacturing Sector in Malaysia and the overall NIMP 2030, thus fosters a more sustainable industrial sector while addressing environmental concerns at their source.



PROGRESS ON THE

# Peace Pillar





#### Chapter Five: Progress on the Peace Pillar

The Peace pillar examines Malaysia's progress, challenges and gaps between policy and practice in advancing SDG 16 through the theme of strengthening governance systems and public sector reforms. Figures 5.1 provide a snapshot on the status and progress made in this SDG.

Figure 5.1: Overview of Status and Progress on the Peace Pillar

Strengthening Governance Systems and Public Sector Reform Status & Progress



# REDUCING ALL FORMS OF VIOLENCE AND ENSURING ACCESS TO JUSTICE

- Legislative developments include the enactment of the Anti-Sexual Harassment Act (2022) [Act 840], a Tribunal for Anti-Sexual Harassment (2024), amendments in the Penal Code on criminalising stalking (Section 507A) in 2023, launch of a new National Children's Policy in 2024 and the abolishment of the mandatory death penalty.
- Empowerment of the Sexual, Women and Child Investigations Division under the Royal Malaysia Police in 2022.
- Malaysia advancing to Tier 2 (US State Department's 2024 Trafficking in Persons (TIP) Report).
- Reviews of the Legal Aid Act and Public Defender's Act are in-progress.



# GOOD GOVERNANCE, REDUCING CORRUPTION AND STRENGTHENING NATIONAL INSTITUTIONS

- Malaysia maintained at #57 on the Corruption Perceptions Index (2024).
   The National Anti-Corruption Strategy (NACS) for 2024 - 2028 was launched and anti-corruption efforts remain high on the national agenda.
- A growing number of private companies and government agencies have been awarded the international MS ISO 37001 Anti-Bribery Management Systems (ABMS) certification.
- The Parliamentary Service Bill 2025 strengthens the Parliament's administrative and financial autonomy and provides for the establishment of the Parliamentary Service Council as oversight to the Parliamentary Service.
- The **Ombudsman Bill** is being developed.



### LEGAL IDENTITY, ACCESS TO INFORMATION AND PROMOTION OF HUMAN RIGHTS

- Enhanced **OpenDOSM** data platform was launched in 2023. The **Freedom of Information Act** is expected to be tabled in Parliament in 2025.
- Federal lawmakers approved the Constitution Amendment on granting citizenship to children born overseas to Malaysian mothers.
- Malaysia ratified two ILO instruments: Protocol of 2014 to the Forced Labour Convention (1930) and Occupational Safety and Health Convention (No. 155).
- Malaysia was elected as a member of the UN Human Rights Council (2022–2024) and initiated two resolutions, regarding the promotion of human rights and SDGs as well as child safety in the digital environment.
- SUHAKAM holds 'A' status from the Global Alliance of National Human Rights Institutions.
- An improved National Security Council (NSC) Directive No. 23 allows refugees to work.

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### THEME: STRENGTHENING GOVERNANCE SYSTEMS AND PUBLIC SECTOR REFORM



Malaysia has made progress in advancing the goals of SDG 16, demonstrating a firm commitment to fostering good governance, upholding the rule of law and ensuring access to justice for all. Over the years, the country has strengthened its policy frameworks and introduced key legislative reforms aimed at enhancing transparency, accountability and integrity. Notable strides have been made in areas such as child protection laws and governance improvements, reflecting Malaysia's dedication to building a more just and equitable society. In the 2024 Global Peace Index (GPI), Malaysia ranked as the 10th most peaceful country in the world, rising nine positions from its 19th place ranking in 2023, one year ahead of achieving the national target set in the MTR 12MP.<sup>159</sup>

Malaysia continues to emphasise stronger institutional coordination, improved legal literacy and greater inclusivity in decision-making processes. The Government's efforts to address critical issues such as judicial accessibility, prison reform and social protection reflect a broader commitment to sustainable progress under SDG 16. Malaysia is well-positioned to accelerate its progress in governance and justice by enhancing transparency, improving M&E mechanisms as well as strengthening collaboration with civil society. An assessment of key initiatives, alongside an analysis of national performance indicators (Table 5.1), will provide deeper insights into Malaysia's journey towards a more peaceful, just and inclusive society.

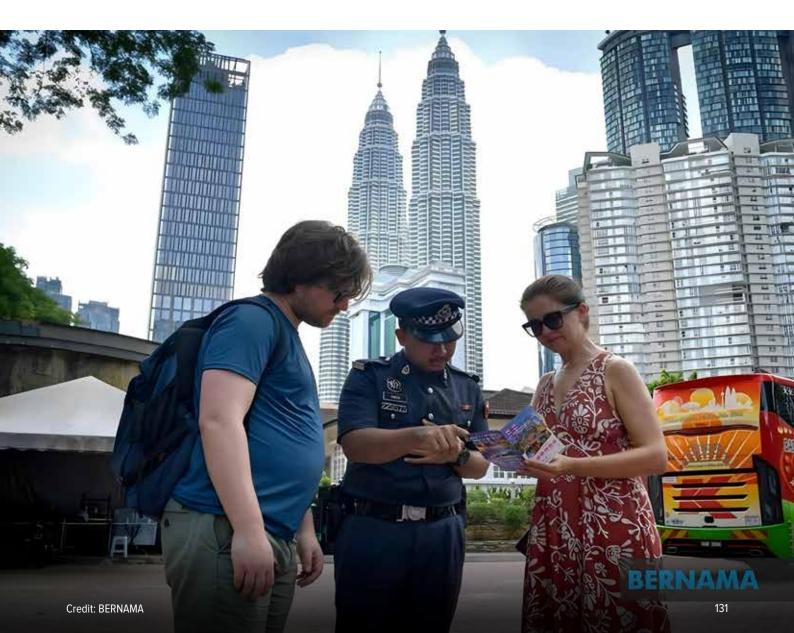


Table 5.1: SDG 16 Status and Progress by Selected Indicators (2021-2023)

| Target (in brief) |   | Indicator | Description  |       | National<br>Performance |       |  |
|-------------------|---|-----------|--|-------|-------------------------|-------|--|
|                   |   |           |  |       | 2022                    | 2023  |  |
|                   | Reduce violence<br>everywhere   | 16.1.1    | Homicide cases   | 243   | 240                     | 258   |  |
| 16.1              |   | 16.1.3    | Violent crime cases  | 9,942 | 8,636                   | 8,539 |  |
| 10.1              |   |           | Sexual crime cases   | 2,703 | 2,826                   | 3,122 |  |
|                   |   | 16.1.4*   | Felt safe walking at night (%)   | 90.5  | NA                      | NA    |  |
| 16.2              | Protect children from abuse, exploitation, trafficking and violence                 | 16.2.1^   | Children aged 1-5 years who experienced physical punishment and /or psychological aggression (%)   | NA    | 66.6                    | NA    |  |
|                   |   | 16.2.2    | (Detected) Human trafficking victims   | 117   | 75                      | 109   |  |
| 16.3              | Equal access to justice for all   | 16.3.2    | Unsentenced detainees (%)  | 39.3  | 29.5                    | 33.0  |  |
| 16.4              | Combat organized crime and illicit financial and arms flows                         | 16.4.2    | Firearm seizures   | 229   | 218                     | 242   |  |
| 16.5              | Substantially reduce corruption and bribery   | 16.5.1    | Investigation papers (bribery)   | 828   | 820                     | 1,026 |  |
| 10.5              |   |           | Arrests  | 851   | 909                     | 1,137 |  |
| 16.6              | Develop effective,<br>accountable and<br>transparent institutions                   | 16.6.1    | Federal Gov. expenditure vs budget (%)   | 96.8  | 120.0                   | 102.8 |  |
| 10.0              |   | 16.6.2    | Complaints about public services by state  | 4,074 | 5,833                   | 7,268 |  |
|                   | Ensure responsive,<br>inclusive and<br>representative decision-<br>making           | 16.7.1    | PWD representation in civil service (%)  | 0.3   | 0.3                     | 0.3   |  |
|                   |   |           | Proportion of women High Court judges (%)  | 34.0  | 27.0                    | 41.7  |  |
|                   |   |           | Proportion of women Federal Court judges (%)   | 57.1  | 54.5                    | 46.2  |  |
|                   |   |           | Proportion of women Court of Appeal judges (%)   | 32.1  | 33.3                    | 29.6  |  |
| 16.7              |   |           | Women representation in Parliament - House of Representatives (%)  | 14.9  | 13.5                    | 13.5  |  |
|                   |   |           | Women representation in Parliament - Senate (%)  | 18.2  | 14.8                    | 16.1  |  |
|                   |   | 16.7.2*   | Proportion that believes decision-making is inclusive and responsive (%)   | 64.4  | NA                      | NA    |  |
| 16.8              | Strengthen participation in global governance                                       | 16.8.1    | UNGA proportion and voting rights (%)  | 0.5   | 0.5                     | 0.5   |  |
| 16.9              | Provide universal legal identity  | 16.9.1    | Children under 5 years with birth registration (%)   | 97.5  | 96.9                    | 95.3  |  |
| 16.a              | Strengthen national institutions to prevent violence and combat terrorism and crime | 16.a.1    | Malaysia undertakes further steps to safeguard the basic rights of the people and to both support and strengthen the (SUHAKAM) Commission's functions and powers as a Paris Principles-compliant National Human Rights Institutions (NHRI) |       |                         |       |  |

<sup>\*</sup>Latest data available as of 2021; ^ Latest data available as of 2022.

Source: DOSM, SDG Dashboard

### **Status and Progress**

### Reducing All Forms of Violence and Ensuring Access to Justice

Public safety is vital for national stability, economic growth and societal well-being. Efforts to strengthen law enforcement, community policing and crime prevention contribute to building a just, peaceful and inclusive society. In 2021, 90.5% of Malaysians reported feeling safe walking alone around the area where they live. 160 While violent crime decreased by 14.1% in 2023 (8,539 cases) compared to 2021 (9,942 cases), serious cases have escalated.<sup>161</sup> Homicide increased by 6.2% in 2023 (258 cases) compared to 2021 (243 cases), while sexual crimes rose by 15.5% between 2021 (2,703 cases) and 2023 (3,122 cases).162 The number of domestic violence cases recorded by the Royal Malaysia Police (PDRM) rose from 5,507 in 2023 to 7,116 in 2024.163

Malaysia has made strides against human trafficking, including forced labour, servitude, slavery and sexual exploitation. In 2023, the National Strategic Office to the Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants (NSO MAPO) under the Ministry of Home Affairs identified 109 individuals (per 100,000 population) as victims of trafficking.<sup>164</sup> The Government launched the MAPO Integrated Data System (MIDS) in 2024 to coordinate and centralise data related to human trafficking and migrant smuggling crimes, with the overall goal of predicting crime trends and refining mitigation strategies.<sup>165</sup> Malaysia advanced to Tier 2 in the 2024 US TIP Report, up from Tier 3 in 2021, reflecting increased investigations, prosecutions, public awareness, victim shelter funding and freedom of movement for survivors. 166

Article 5(3) of the Malaysian Constitution guarantees justice and legal aid, provided through the Legal Aid Department and the National Legal Aid Foundation (NLAF). The NLAF received RM100,528,400 (2011-2024) and managed 2,530,993 criminal cases (2012-2024), which demonstrates the Government's commitment to ensuring access to justice for all. Efforts to strengthen the criminal justice system remain, with

prison overcrowding increasing to 8.7%, indicating an overcapacity of 2,357 inmates. 85% of remand cases are drug-related offences with 87% of all cases being lower/magistrate court cases and 13% are high court cases. 168

Malaysia has continued and intensified its efforts to mitigate cross-border crime, including human trafficking, smuggling of migrants, drug trafficking and illicit trade. The nation's northern borders, particularly along Sungai Golok and Rantau Panjang require stringent border control to curb rampant smuggling, with an added complexity of irregular crossings among students commuting for school. Stakeholder consultations emphasise the need for greater resources and authority for border agencies to strengthen surveillance. Addressing transnational crime requires regional cooperation, intelligence-sharing and policy alignment to ensure border security and uphold human rights.

The Government has introduced key legal reforms in 2024 and 2025 focusing on cyber-related crimes. Amendments to the Penal Code now criminalise the use of mule accounts in online fraud<sup>171</sup> and specific provisions cyberbullying, including severe penalties when it leads to self-harm or suicide<sup>172</sup>, have been introduced. The Communications and Multimedia Act was also amended to strengthen controls over harmful online content, including scams and obscene content. 173 Additionally, the enactment of the Online Safety Act 2024 provides a comprehensive legal framework to ensure platform safety, protect children under 13 and restrict access to harmful content, protecting vulnerable groups and upholding digital safety.<sup>174</sup>



### Good Governance, Reducing Corruption and Strengthening National Institutions

Malaysia has intensified its anti-corruption efforts, increasing bribery investigation papers from 828 in 2021 to 1,026 in 2023.<sup>175</sup> Based on this data, corruption-related arrests rose by 33.6% from 851 to 1,137 cases in the same period.<sup>176</sup> These upward trends highlight the commitment of the Government to combat corruption aggressively. Accordingly, Malaysia's Corruption Perceptions Index (CPI) ranking improved from 62nd in 2021 to 57th in 2024.<sup>177</sup> The Government aims to achieve a top 25 global ranking by 2033, as outlined in *Ekonomi MADANI*.<sup>178</sup>

A strong governance mechanism with several external bodies, provides oversight of the Malaysian Anti-Corruption Commission (MACC), including the Anti-Corruption Advisory Board, the Special Committee on Corruption and the Complaints Committee. The private sector is engaged through the Malaysia Standard ISO 37001 (MS ISO 37001) Anti-Bribery Management Systems (ABMS) certification, promoting integrity, ethical standards and corporate accountability via anti-bribery policies, training, whistleblower protection and a no-gift policy.

BNM's National Risk Assessment 2023 highlighted fraud involving mule accounts in financial scams. 180 Students, including international students are increasingly targeted, prompting Government measures to freeze these accounts.<sup>181</sup> The economic impact of online scams is significant which recorded approximately RM4.3 billion in losses between 2021 and 2024.182 If left unchecked, this will further affect victims, investor confidence, tourism and trade. 183 Drivers include rapid technological advancements, lack of expertise, resources, legal framework, shared intelligence and low awareness levels. 184 Malaysia has since forged regional and international collaborations with ASEAN countries as well as with the International Criminal Police Organization Federal (INTERPOL) and the Bureau Investigation (FBI) in sharing data on intelligence and joint operations. 185



Malaysia has reinforced public institutions, establishing ten special select committees since 2022 for oversight and accountability. The Parliamentary Services Act, part of 2018 reforms, grants Parliament greater autonomy. Women are well-represented in the judiciary, with 30 out of 73 High Court Judges, four out of 10 Federal Court Judges and seven out of 29 Court of Appeal Judges being women. Gaps remain in women political representation, with 13.5% of seats in the House of Representatives and 16.1% in the Senate held by women in 2023. Further measures are needed to increase women's participation in leadership and decision-making.

In the Public Complaints Bureau (PCB) Annual Report 2023, 7,268 complaints were received at the State Government level, of which top concerns include unmet requests, lack of enforcement and inadequate public facilities. Misconduct, policy inconsistencies and misuse of power accounted for less than 1% of the complaints. In 2023, 96.4%

of the cases were resolved at the State Government level, indicating PCB's high responsiveness to the complaints. <sup>190</sup> Continuous improvements in transparency and public sector accountability are essential for enhancing citizens' trust.

The Malaysia Border Control and Protection Agency (AKPS) officially commenced operations on 1 January 2025 to enhance national security, starting with a pilot operation at the Immigration, Customs, Quarantine and Security Complex in Rantau Panjang, Kelantan. The Border Control and

Protection Agency Act [Act 860] was passed by Parliament in August 2024 and officially gazetted in October of the same year.<sup>191</sup> AKPS is currently operating at 22 border entry points and will be progressively expanded to all 123 entry points nationwide.<sup>192</sup> Malaysia has also introduced a QR code system at its entry points, within the MyBorderPass app to improve service delivery and efficiency of immigration processes. The automation of key processes also minimises direct contact between immigration officers and travellers, thus reducing the likelihood of corruption.<sup>193</sup>



### Legal Identity, Access to Information and Promotion of Human Rights

Birth registration is a fundamental right that provides children with legal identity, enabling access to education, healthcare and other essential public services. However, birth registration for children under five declined from 97.5% in 2021 to 95.3% in 2023.<sup>194</sup> One factor leading to lower birth registration numbers is late registrations. Late registrations require specific procedures with the National Registration Department (JPN), including interviews and verification of supporting documents. Children without legal status, including refugees and stateless individuals, face exclusion from education and healthcare, increasing their risk of discrimination, exploitation and neglect.<sup>195</sup>

Efforts are underway to address legal, administrative and socio-economic factors to support access to nationality for Malaysian-descendant children, promoting their right to identity and inclusion in society. This includes children born to Malaysian men outside of a legal marriage, children of unknown citizenship or without Malaysian citizenship adopted by Malaysian parents and abandoned children. Administrative challenges faced by parents, low awareness of the importance of legal identity and geographical factors, particularly those in rural areas, are also contributing factors. In Sabah, many non-citizen residents face barriers to basic rights due to the lack of legal identity, despite the Government's efforts to provide various forms of documentation, including IMM13 cards and temporary permits. These temporary solutions do not confer permanent legal status, leaving some in a precarious situation. However, the Government has

#### Chapter Five: Progress on the Peace Pillar

made progress in improving access to citizenship through approvals and access to permanent residency and temporary residency cards.

The *Menyemai Kasih Rakyat (MEKAR)* initiative, led by JPN, is an outreach programme designed to facilitate birth registration and identity card issuance to rural and remote communities.<sup>197</sup> This programme is part of a broader effort to ensure that all Malaysians, including those in underserved areas have access to legal rights and services. Through strategic cooperation with various ministries and state governments, particularly in Sarawak and Sabah, MEKAR identifies individuals, especially schoolchildren and residents, who lack identity documents, and offers support in the citizenship application process. The MEKAR initiative also includes MEKAR Didik, which focuses on supporting children without identification documents in the education system.<sup>198</sup> In addition, JPN also collaborates on Civil Registration and Vital Statistics at the Asia-Pacific level, led by the United Nations Economic and Social Commission for Asia and the Pacific, to systematically record and produce statistical input for policy formulation and development planning.

Malaysia has implemented a Refugee Registration Document (DPP), piloted in May 2024 by the Immigration Department,<sup>199</sup> as an effort to validate and verify the status of refugees in Malaysia, despite being a non-signatory to the 1951 Refugee Convention. Through this initiative, the Government seeks to improve the quality of life for refugees through access to healthcare, education and potentially employment opportunities in specific economic sectors.<sup>200</sup>

The Human Rights Commission of Malaysia (SUHAKAM) holds 'A' status from the Global Alliance of National Human Rights Institutions (GANHRI), demonstrating its credibility as a National Human Rights Institution (NHRI), and alignment with the 1993 Paris Principles.<sup>201</sup> The SUHAKAM Strategic Plan (2021-2025) focuses on strengthening its independence, promoting human rights for vulnerable groups, combating discrimination, advancing children's rights and enhancing institutional capacity.<sup>202</sup>

SUHAKAM's Children's Commissioner, a role established in 2019 advocates for vulnerable children, including indigenous, migrant, refugee, undocumented, stateless and those with disabilities, guided by the UN Convention on the Rights of the Child (UNCRC).<sup>203</sup> In June and July 2024, Parliament discussed SUHAKAM's 2021 and 2022 Annual Reports, involving 49 MPs, illustrating the Government's efforts in promoting public accountability and integrating human rights into legislative discussions.<sup>204</sup>

Article 8 of Malaysia's Federal Constitution guarantees non-discrimination based on religion, race, descent, place of birth or gender, covering employment, public office, law administration, property, trade and business.<sup>205</sup> Initiatives are being organised to address the instances of hate speech and discrimination in public discourse aimed at promoting respectful dialogue, social cohesion and inclusive communication. Malaysia continues to make efforts in addressing these issues through stronger enforcement, safeguards and awareness raising on national unity to ensure equal protection for all.



### **Present Efforts**

### Reducing All Forms of Violence and Ensuring Access to Justice

Malaysia has significantly advanced legislation against violence, especially towards women and children. The Anti-Sexual Harassment Act 2022 [*Act 840*], gazetted in October 2022, grants survivors legal redress and establishes the Tribunal for Anti-Sexual Harassment.<sup>206</sup> <sup>207</sup> Proposed 2024 amendments seek to improve workplace accountability in sexual harassment cases.<sup>208</sup> In March 2023, the Penal Code was amended to criminalise physical and online stalking under Section 507A, empowering victims and increasing reported incidents.<sup>209</sup> Crime prevention has been intensified through an increased policing presence, including patrols and community policing.

The Government has enhanced support to victims of domestic violence through advocacy, counselling, psychoeducation and shelters. National Children's Policy was launched in November 2024 to strengthen child protection. The Sexual, Women and Child Investigations Division under the PDRM investigates sexual crimes and domestic violence with 915 officers nationwide.<sup>210</sup> Child Interview Centres (CICs) have been established to provide specialised facilities for victims and witnesses.<sup>211</sup>

As sexual crimes against children continue to rise,<sup>212</sup> online sexual exploitation has been identified as a growing threat, with predators using dating apps, gaming platforms, live chat apps and social media to groom victims.<sup>213</sup> Some cases escalate to in-person exploitation or involve cross-border digital crimes such as the creation, distribution and possession of Child Sexual Abuse Materials (CSAM).<sup>214</sup> In response, the 2022 national budget allocated special funding to PDRM for the Sexual, Women and Child Investigations Division to expand staffing by 100 officers and finance domestic violence awareness campaigns.<sup>215</sup> The Malaysia Internet Crime Against Children (MICAC) Unit was established within the Sexual, Women and Child Investigations Division in 2022 to enhance cybercrime enforcement.<sup>216</sup>

Malaysia's commitment to gender equality and eliminating discrimination has been recognised internationally. In May 2024, Malaysia presented its sixth periodic report to the CEDAW,<sup>217</sup> and highlighted that 28 laws and regulations had been repealed, amended or introduced to strengthen legal protections for women and children.<sup>218</sup> Commendations from the CEDAW Committee include:<sup>219</sup>

- Anti-Sexual Harassment Act (2022) enacted
- Domestic Violence Act 1994 (Act 521) and Penal Code (Act 574) amended to criminalise stalking
- Mandatory death penalty abolished

Malaysia adheres to the Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act (ATIPSOM 2007), aligning with international standards.<sup>220</sup> Enforcement agencies have increased efforts to identify victims, with 23 trained Victim Identification Champions (VICs) across five agencies using the National Guidelines on Human Trafficking Indicators (NGHTI) 2.0. A child-centred approach is integrated into victim support, with shelters offering therapeutic interventions.<sup>221</sup>

The Government launched *Baitul Mahabbah* in 2023 to relocate child detainees and their mothers from immigration detention centres to child-friendly environments; six centres were operational as of December 2024, with plans to open one additional centre in East Malaysia later in 2025.<sup>222</sup> Regionally, Malaysia adopted the ASEAN Multi-Sectoral Work Plan Against Trafficking in Persons 2023-2028 during the 17th ASEAN Ministerial Meeting on Transnational Crime in August 2023.<sup>223</sup>

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Malaysian authorities will deploy an elite security force along the Thailand border to combat cross-border crimes such as smuggling and corruption.<sup>224</sup> Recognising that cross-border relations remain economically important, Malaysia and Thailand launched a cross-border tourism initiative at the Zone Duty-Free Complex, promoting regional cooperation and economic integration.<sup>225</sup> Malaysia continues to issue border passes to residents of Kedah, Perlis, Kelantan and Perak, allowing regular entry into designated provinces in southern Thailand.<sup>226</sup>

The Government is finalising a new Legal Aid Act following a review of Malaysia's legal aid framework, with the goal of expanding legal aid access. This legislation, with the Public Defender's Act, will broaden legal aid in civil and criminal matters.<sup>227</sup> The Legal Aid Department's Strategic Plan 2024-2028 aims to strengthen legal assistance for vulnerable Malaysians, ensuring broader coverage for those unable to afford legal representation.<sup>228</sup>

Additionally, the Justice on Wheels (JoW) programme, launched in January 2024, has improved mobile legal aid accessibility, particularly in Sabah and Sarawak, reaching 358 clients in its first six months. <sup>229</sup> It will expand to Peninsular Malaysia, bringing legal services closer to rural communities. The NLAF continues to offer free legal services, collaborating with the Malaysian Bar Council and Government agencies. Death penalty cases remain outside the scope of legal aid, requiring additional mechanisms for fair representation.

The Government has introduced mental health, counselling and intervention programmes for all incarcerated individuals. It has also implemented several rehabilitation initiatives that are focused on education, skills training and religious development to enhance post-release employability across prisons. Other efforts include the Malaysian Skills Certificate programme in collaboration with higher learning institutions to provide education and vocational training to reduce recidivism and support reintegration.



### Good Governance, Reducing Corruption and Strengthening National Institutions

Malaysia is committed to eradicating corruption through national strategies and reforms. The National Anti-Corruption Plan 2019-2023 (NACP) promoted transparency, accountability and integrity across Government, with 115 initiatives announced covering six priority areas.<sup>230</sup> By 2023, 85 initiatives were actively implemented by designated lead agencies.<sup>231</sup> Building on this, the NACS strengthens integrity, legal mechanisms and enforcement.<sup>232</sup> To cascade these efforts, placement officers from MACC as Heads of Integrity Units have also been positioned in all government ministries.<sup>233</sup>

The National Anti-Financial Crime Centre (NFCC) coordinates financial crime enforcement and maintains centralised data.<sup>234</sup> The National Scam Response Centre (NSRC) tackles online fraud. DOSM reported a 35.5% increase in online crime, from 25,479 cases in 2022 to 34,532 cases in 2023.<sup>235</sup> A special committee on cyber security and a cybercrime task force have been established. The public can now check the SemakMule 2.0 website, including the bank account status, phone number and company names of potential scammers.<sup>236</sup>

New digital feedback mechanisms enhance institutional efficiency. The PCB introduced the Queue Management System (QMS) e-rating system<sup>237</sup> and the MyPerformance system assesses civil servant performance.<sup>238</sup> Parliamentary reforms have advanced oversight. The 15th Parliament established 10 Parliamentary Select Committees (PSCs) and seven All-Party Parliamentary Groups Malaysia (APPGM) offer a bipartisan platform for policy reform.<sup>239</sup>

On civil service reform, the Government Service Efficiency Commitment Bill 2025 (*Iltizam*) that was introduced in March 2025 represents a comprehensive and strategic cross-agency approach to enhance public administration and regulatory systems. The Bill aims to enhance service delivery efficiency and ease of doing business between the Government, business communities and the public. In addition, it also

seeks to address overbearing bureaucracy, overcome outdated procedures and streamline processes.<sup>240</sup>



### Legal Identity, Access to Information and Promotion of Human Rights

Recognising the importance of birth registration in safeguarding children's rights, Malaysia has expanded targeted outreach programmes to improve registration accessibility, particularly in rural and remote areas. Mobile registration units, public awareness campaigns and collaborations with CSOs including Development of Human Resources for Rural Areas (DHRRA) have assisted stateless communities with birth registration.

In Sabah, many non-citizens face challenges in accessing basic services due to a lack of documentation. The Government has expanded biometric data collection to improve policy interventions. <sup>241</sup> IMM13 holders are now permitted to reside and work in Sabah and Labuan without a work permit, excluding professional and public service jobs. The Government is also working with the Sabah and Sarawak state governments through a special task force to streamline the citizenship application process for eligible individuals. Strategic joint efforts with the MOE to identify and assist students without documentation are also on-going. <sup>242</sup>

Malaysia's data transparency and digital governance have advanced with initiatives such as the Public Sector Open Data Portal and MyDIGITAL.<sup>243</sup> MyDIGITAL, aiming to accelerate technological advancements by 2030, underscores the Government's commitment to open data utilisation.<sup>244</sup> The Government amended the Personal Data Protection Act 2010 and enacted the Data Sharing Act 2024 to enable an efficient and effective data-sharing ecosystem. During the COVID-19 pandemic, public demand for greater transparency in government data intensified. The MOH launched COVIDNOW, later rebranded as KKMNOW, a real-time public health data portal.<sup>245</sup> In 2023, DOSM enhanced the OpenDOSM data platform to OpenDOSM NextGen, a user-friendly platform offering public access to official data.<sup>246</sup>

Malaysia has played an active role on the global stage, particularly during its 2022–2024 tenure on the United Nations Human Rights Council (UNHRC). The country successfully initiated two key UN resolutions:

- Promoting Human Rights and SDG through Transparent, Accountable and Efficient Public Service Delivery (adopted in April 2023)
- Safety of the Child in the Digital Environment (adopted in July 2024).<sup>247</sup>

These unanimously endorsed UNHRC resolutions highlight Malaysia's global leadership in human rights. Malaysia also co-sponsored 103 UN resolutions and hosted 15 side events on topics ranging from Islamophobia and religious discrimination to climate change and poverty eradication.<sup>248</sup>

At the national level, SUHAKAM drives human rights initiatives, with its 2021 and 2022 annual reports tabled in Parliament in June and July 2024.<sup>249</sup> SUHAKAM also shaped the NAPBHR, advocating for labour protections, ethical corporate practices and environmental safeguards.<sup>250</sup>

Malaysia amended its constitution to end gender-based discrimination in citizenship laws, where previously only children of Malaysian fathers born abroad received automatic citizenship.<sup>251</sup> The amendment grants equal rights, ensuring citizenship by law to children born abroad to Malaysian mothers, though these protections could be broadened.

Malaysia also strengthened labour rights by signing the ILO's Protocol of 2014 to the Forced Labour Convention (1930),<sup>252</sup> reinforcing efforts against forced labour and human trafficking as well as the Occupational Safety and Health Convention, 1981 (No. 155). These actions advance the protection of workers and improving working conditions, recognising that a safe and healthy workplace is a fundamental right.<sup>253</sup>

Credit: HRD Corp

### **Challenges and Way Forward**

### Reducing All Forms of Violence and Ensuring Access to Justice

Strengthening the legal framework and legislations is essential for enforcement. Among the challenges for reducing cybercrime are the limited mandatory laws on data retention, unrestricted social media access to users of all ages as well as short remand periods, which adversely impact the investigative and evidentiary process. Greater international cooperation on cybercrime can encourage better data sharing and inter-country partnerships to resolve the cross-border nature of cybercrime. This initiative can be supported by domestic legislation targeted on cybercrime.<sup>254</sup>

The use of advanced technology including drones and AI has the potential to enhance surveillance against criminal activities. Educating the public and empowering them to report all forms of crime to the authorities must be prioritised. Addressing the issue of prison overcrowding which poses risks of communicable diseases and high expenditure requires innovative and humane solutions.<sup>255</sup> Conditional employment opportunities such as the Second Chances and Opportunities for People to Excel (SCOPE) by the HRD Corp, in collaboration with the Government can mitigate the overcrowding challenge.<sup>256</sup>

Enhancing access to protection and justice for domestic violence survivors in rural and remote areas involves addressing geographical barriers through improved infrastructure, outreach services and legislative reforms, paving the way for more inclusive and timely support. Efforts to strengthen law enforcement in addressing sexual and child abuse are focused on enhancing capacity and funding, updating laws and regulations and fostering a supportive environment that encourages reporting by reducing stigma and victim-blaming.<sup>257</sup> Investments in training, digital forensics and intelligence-gathering tools for MICAC can better support their mandate in combatting online sexual crimes against children.<sup>258</sup> Gender-sensitive training for law enforcement officers is essential to ensure appropriate handling of these cases, ensuring survivors are protected.<sup>259</sup> In parallel, a comprehensive approach to child protection is needed, including abuse prevention education, mandatory safeguarding training for caregivers as well as stronger collaboration between agencies and civil society.



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Malaysia continues its ongoing efforts to address CEDAW's concerns on key issues such as harmonising Syariah and civil laws, reducing statelessness among women, promoting indigenous languages in schools, recognising unpaid care work, mitigating the gendered impacts of climate change and improving support for women on death row, while encouraging continued progress and reinforcing its commitment to achieving gender equality and women's empowerment.<sup>260</sup> SUHAKAM emphasised the need for policy reforms that benefit all women, particularly those from vulnerable communities. Malaysia has recognised this by prioritising increased women's representation in Parliament as a key step towards more inclusive and equitable governance.<sup>261</sup> In June 2024, the Government announced a 12-member Post-CEDAW Action Plan Committee, reinforcing Malaysia's commitment to gender equality through multi-stakeholder engagement.<sup>262</sup>

The country has further strengthened its efforts to combat human trafficking through enhanced inter-agency coordination to ensure more effective enforcement. The Attorney General's Chambers provides improved guidance through training courses for prosecutors aiming to prioritise timely prosecution of cases. Expanding victim identification, improving access to legal support and providing protective services will encourage victim participation in legal proceedings. Strengthening regional and international collaborations will be key to dismantling trafficking networks and upholding Malaysia's commitment to anti-trafficking efforts.

Private sector stakeholders have taken proactive steps to uphold ethical standards, including conducting audits, providing human rights training and supporting union representation. To build on this momentum and align with ESG principles, the next phase should focus on raising awareness of human trafficking, enabling stronger worker unions and clarifying sector-specific requirements related to anti-trafficking compliance.

Expanding access to justice in Malaysia involves bringing legal support closer to communities, making legal services more affordable, and strengthening legal literacy across the population.<sup>263</sup> Malaysian courts affirm the equal rights of non-citizens, and ongoing efforts aim to ensure migrant workers can access justice, claim unpaid wages, overcome debt bondage and resolve labour grievances, enabling them to return home with dignity and legal support.<sup>264</sup> The Department of Labour Peninsular Malaysia continues to monitor and enforce efforts to protect migrant workers' rights through workplace inspections, integrated enforcement operations and investigations into workers' complaints.<sup>265</sup> The Government is taking steps to enhance access to justice by proposing the establishment of a Public Defender's Office, learning from successful models in Singapore, Australia, New Zealand and the United Kingdom.<sup>266</sup> This initiative reflects a commitment to strengthening the legal aid framework and ensuring that quality legal representation is available for all, especially the vulnerable groups.



### Good Governance, Reducing Corruption and Strengthening National Institutions

Malaysia continues to strengthen its commitment to integrity by enhancing institutional checks and balances, fostering a culture of accountability, avoiding corruption practices and mobilising collective action across society to build public trust and support sustainable economic and social progress.<sup>267</sup> The Government announced two initiatives, namely the Freedom of Information Bill aimed at enhancing public sector transparency and a Special Task Force on the CPI aiming at improving Malaysia's governance reputation and attracting foreign investment.<sup>268</sup> <sup>269</sup> A whole-of-nation approach encompassing the Government machinery, industry, business communities, investors and civil society is crucial to achieving the national target in CPI.

The Government has been actively pursuing the development of the Ombudsman Bill to strengthen public complaint mechanisms and promote greater transparency, fairness and integrity within the civil service, including effective oversight of administrative misconduct. The Bill will potentially encompass the Whistleblower Protection Act, Public Complaints Bureau (PCB), Enforcement Agency Integrity Commission (EAIC) and Freedom of Information Act (FoIA).<sup>270</sup>

People's participation is crucial for strengthening democratic practices, enabling community engagement at all levels, which can help further the achievement of SDG at the local level. The National Community Policy promotes people's participation in urban low-cost flats, while Village Development and Security Committees (JKKK) support rural communities.

### Legal Identity, Access to Information and Promotion of Human Rights

Efforts are being strengthened to improve birth registration among children in refugee and stateless communities by addressing administrative and logistical barriers. At the same time, initiatives are underway to enhance access to employment opportunities for community members through improved documentation processes and supportive policy measures, paving the way for greater inclusion and self-reliance. The Government has embarked on several initiatives to address the complex challenges concerning this community in education and employment.<sup>271</sup> Federal-state collaboration in partnership with NGOs can guide a rights-based approach to ensure inclusive and effective implementation of solutions.

The Government announced plans to enact a Freedom of Information Act and amend the Official Secrets Act (OSA) to improve transparency and public participation in policymaking.<sup>272</sup> The Government is currently drafting the Bill and for the FoIA to be effective, broad stakeholder consultations will be held to align data governance rules, increase transparency and ensure the integrity of information.<sup>273</sup>





# BOX ARTICLE 5.1: ROLE OF CSOS IN SDGS, HUMAN RIGHTS AND POLICY REFORM

Malaysia's CSOs actively advocate for continuous reforms in policy, championing SDG, institutional reform and human rights protection. CSOs have helped to shape Malaysia's SDG Roadmap, National Action Plans of specific sectors and VNR reports by providing inputs from the ground, engaging various stakeholders within the government and advocating for positive changes. Key areas of focus include governance gaps, economic disparities, human rights issues and data accessibility as well as advocating for multi-sectoral collaboration. Prominent CSOs involved in these efforts include the Malaysian CSO-SDG Alliance, CSO Platform for Reform, Coalition of Malaysian NGOs in the UPR Process (COMANGO) and the CSO CEDAW Coalition, among others.

CSOs are involved actively in the Universal Periodic Review (UPR) process through reporting on human rights matters, of which Malaysia received 348 recommendations and over 200 were accepted. In order to help track these commitments, a National Action Committee on Human Rights was established, signalling greater accountability and improved engagement between the Government and CSOs. In addition, Malaysia presented its sixth CEDAW report in 2024 and following that, a Post-CEDAW Action Plan Committee was established. This committee plays a pivotal role in advancing Malaysia's commitment to gender equality by translating CEDAW recommendations into policy actions. Multi-stakeholder engagement remains essential to strengthening governance systems and ensuring human rights protections in Malaysia.

# BOX ARTICLE 5.2: STRENGTHENING HUMAN RIGHTS CULTURE AND COMPLIANCE WITHIN THE BUSINESS COMMUNITY

Malaysia will launch the NAPBHR to integrate human rights-based approaches into national corporate frameworks, aligned with the UN Guiding Principles on Business and Human Rights (UNGP). The NAPBHR, jointly developed by the Legal Affairs Division in the Prime Minister's Department, SUHAKAM and UNDP, aims to guide businesses in incorporating elements of human rights due diligence and addressing harms that arise from business activities through improved access to remedy.

The NAPBHR provides clearer guidelines on codifying human rights into corporate governance and sustainability positioning Malaysia as a regional leader for responsible business and investment. Through aligning national business practices with global business and human rights standards, investor and consumer expectations can be met, while also ensuring that business activities do not adversely impact people and the planet. The NAPBHR reinforces the UNGP's key pillars namely, the State's duty to protect, corporate responsibility to respect and access to remedy, which will be translated into strategies that strengthen corporate accountability, labour protections and environmental governance. A National Baseline Assessment on Business and Human Rights, launched in 2024, forms the basis for legislative, policy and guiding actions within the domestic context.

The undertaking of the NAPBHR is helping to raise awareness among the business community on the need for stronger and more meaningful human rights practices in business. With the introduction of ESG frameworks, businesses have begun to integrate human rights into their corporate ecosystems. To demonstrate how the NAPBHR can mobilise corporate-led efforts on business and human rights, corporations such as PETRONAS published its standalone Human Rights Policy in 2024, guided by international frameworks including the UNGP on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The Policy reinforces the company's commitment to respecting and promoting human rights across its operations and value chain. Following this, PETRONAS also launched its Supplier Support Programme, designed to provide the necessary tools and training to its suppliers. In the eight months since its rollout, PETRONAS has engaged over 1,000 local vendors to strengthen their capacity in sustainability and labour. Such initiatives can drive spur positive change across the business ecosystem, supporting Malaysia's aspiration to move up the economic value chain and build long-term economic resilience.



PROGRESS ON THE

# Partnership Pillar





Chapter Six: Progress on the Partnership Pillar

The Partnership pillar examines Malaysia's progress, efforts, as well as challenges and way forward in fostering an inclusive, whole-of-nation approach in achieving SDG 17. Figure 6.1 provides a snapshot on the status and progress made in this SDG.

Figure 6.1: Overview of Status and Progress on the Partnership Pillar

Galvanising a Whole-of-Nation Approach to Achieve the SDG (Status & Progress



### STRENGTHENING GLOBAL PARTNERSHIPS THROUGH **INTERNATIONAL COOPERATION**

- Continuous implementation of development, capacity building and technical assistance programmes for Global South countries through initiatives such as Malaysian Technical Cooperation Programme (MTCP), Third Country Training Programme (TCTP) and Malaysia-UNESCO Cooperation Programme (MUCP).
- Enhanced standing as an investment destination as demonstrated by Foreign Direct Investments (FDIs) inflow.



### **ENHANCING MULTI-LEVEL GOVERNANCE FOR THE SDG**

- Implementation of a governance structure for the SDG headed by the National SDG Council and operationalisation of **Pusat SDG Negara** in 2023.
- Alignment between the SDG and national plans (Twelfth Malaysia Plan and its Mid-Term Review, SDG Roadmap Phase II).
- Participation of Members of Parliament in localising the SDG in constituencies through APPGM-SDG.
- Multi-stakeholder partnerships between Government and civil society organisations on local-level solutions to advance the SDG.



### IMPROVING SDG PROGRESS MONITORING THROUGH DATA AVAILABILITY **AND RELIABILITY**

- Improved Open Data Inventory (ODIN) Coverage Index score: 59.0 (2022) to 90.0 (2024).
- Increased the percentage of relevant SDG indicators: 51.7% (2020) to 79.0% (2023).
- Administration of national population census (every 10 years; last conducted in 2020), Economic Census (every 5 years; last conducted in 2023) and Agricultural Census (every 10 years; last conducted in 2024).

### THEME: GALVANISING A WHOLE-OF-NATION APPROACH TO ACHIEVE THE SDG

Malaysia intends to build on past successes, strengthen partnerships and ensure that all stakeholders work together to accelerate progress towards the SDG. By fostering an inclusive and whole-of-nation approach, the nation aims to address the remaining challenges in achieving SDG 17 and ensure that the SDG is fully integrated into the national and sub-national development strategies.

Malaysia continues to emphasise international collaboration through bilateral and South-South Cooperation (SSC), as well as partnerships with international and multilateral organisations, utilising platforms such as the Malaysian Technical Cooperation Programme (MTCP). Domestically, efforts are focused on mainstreaming and localising the SDG, enhancing multi-stakeholder engagement and reinforcing PPP. These initiatives reflect Malaysia's commitment to achieving the SDG through collaboration across all sectors of society. A summary of SDG 17 status and progress is in Table 6.1.

Table 6.1: SDG 17 Status and Progress by Selected Indicators (2021-2023)

| at (in buist)  | Indicator Description  |  | National Performance   |  |   |
|--|--|--|--|--|---|
| t (in brief)   |  |  | 2021   | 2022   | 2023  |
| 17.1 Mobilise resources to improve domestic revenue collection                           |  | Gov. revenue proportion of GDP (%)   | 15.1   | 16.4   | 17.3  |
|  |  | Fed. Gov. tax revenue / expenditure (%)  | 52.1   | 52.8   | 56.3  |
| Mobilise financial resources for developing  | 17.2.1   | Budget allocation for MTCP (RM)  | 4.2<br>million   | 6 million  | NA  |
| countries  | 17.3.1   | Total FDI approved (MIDA)<br>(RM)  | 200<br>billion   | 135 billion  | NA  |
| Knowledge sharing and cooperation for  | 17.6.1   | Fixed broadband (≥<br>1mbit/s) per 100<br>inhabitants  | 11.1   | 12.6   | 13.5  |
| access to science, technology and innovation   |  | Fixed broadband (≥<br>1mbit/s) per 100 premises  | 40.8   | 47.6   | 50.6  |
| Strengthen the science, technology and innovation capacity for least-developed countries | 17.8.1   | Individual using Internet (%)  | 96.8   | 97.4   | 97.7  |
| Enhanced SDG capacity in developing countries  | 17.9.1   | Value of financial and tech assistance (RM)  | 2.5<br>million   | 5.6 million  | NA  |
| Promote a universal treading system under the WTO  | 17.10.1  | Weighted tariff average (%)  | NA   | 3.5  | 3.3   |
| Increase the exports of developing countries   | 17.11.1  | Share of global exports (%)  | 1.3  | 1.4  | NA  |
| Remove trade barriers for least-developed countries                                      | 17.12.1  | Average tariffs faced by Malaysia (%)  | 21.2   | 21.2   | 21.1  |
| Enhance policy coherence for sustainable development                                     | 17.14.1  | -  | -  | •  | icy   |
|  | Mobilise financial resources for developing countries  Knowledge sharing and cooperation for access to science, technology and innovation  Strengthen the science, technology and innovation capacity for least-developed countries  Enhanced SDG capacity in developing countries  Promote a universal treading system under the WTO  Increase the exports of developing countries  Remove trade barriers for least-developed countries  Enhance policy coherence for sustainable | Mobilise resources to improve domestic revenue collection 17.1.2  Mobilise financial resources for developing countries 17.3.1  Knowledge sharing and cooperation for access to science, technology and innovation capacity for least-developed countries 17.8.1  Enhanced SDG capacity in developing countries 17.10.1  Promote a universal treading system under the WTO 17.10.1  Remove trade barriers for least-developed countries 17.11.1  Remove trade barriers for least-developed countries 17.12.1  Enhance policy coherence for sustainable 17.14.1 | Mobilise resources to improve domestic revenue collection  17.1.2   Fed. Gov. tax revenue / expenditure (%)  Mobilise financial resources for developing countries  17.3.1   Budget allocation for MTCP (RM)  Total FDI approved (MIDA) (RM)  17.6.1   Fixed broadband (≥ 1 mbit/s) per 100 inhabitants  Strengthen the science, technology and innovation capacity for least-developed countries  17.8.1   Individual using Internet (%)  Promote a universal treading system under the WTO  Increase the exports of developing countries  Enhanced barriers for least-developed countries  17.10.1   Weighted tariff average (%)  Remove trade barriers for least-developed countries  17.11.1   Share of global exports (%)  Malaysia has mechanisms in the science policy coherence for sustainable   17.14.1   Malaysia has mechanisms in the science policy coherence for sustainable   17.14.1   Malaysia has mechanisms in the science policy coherence for sustainable   17.14.1   Malaysia has mechanisms in the science policy coherence for sustainable   17.14.1   Malaysia has mechanisms in the science policy coherence for sustainable   17.14.1   Malaysia has mechanisms in the science policy coherence for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the science for sustainable   17.14.1   Malaysia has mechanisms in the sci | Mobilise resources to improve domestic revenue collection  Mobilise financial resources for developing countries  Total FDI approved (MIDA) (RM)  Total FDI ap | Mobilise resources to improve domestic revenue collection  17.1.1 GoV. revenue proportion of GDP (%)  15.1 16.4  17.1.2 Fed. Gov. tax revenue / expenditure (%)  17.1.2 Fed. Gov. tax revenue / expenditure (%)  17.3.1 Fixed broadband (2 Inhibits) per 100 premises  17.3.1 Individual using Internet (%)  17.3.1 Individual using Internet (%)  17.3.1 Individual using Internet (%)  17.3.1 Fixed broadband (2 Inhibits) per 100 premises  17.3.1 Individual using Internet (%)  17.3.1 Individual using Internet (%)  17.3.1 Share of global exports (%)  1.3 1.4  1.4 Remove trade barriers for least-developed  17.3.1 Average tariffs faced by Malaysia has mechanisms in place to enhance policy coherence for sustainable  17.3.1 Average tariffs faced by Malaysia has mechanisms in place to enhance policy coherence for sustainable |

Chapter Six: Progress on the Partnership Pillar

| Taure  | 4 (in buil-fi   | Indicator                                       | Danasiation.  | National Performance            |                               |   |
|--|---|---|---|---------------------------------|-------------------------------|---|
| Targe  | t (in brief)  | indicator                                       | dicator Description   |                                 | 2022                          | 2023                                    |
| 17.15  | Respect national leadership to implement policies for the Sustainable Development Goals | 17.15.1   | Malaysia has its own policie<br>development and eradicatir<br>Twelfth Malaysia Plan (12M  | ng pover                        |                               |   |
| 17.16  | Enhance the global partnership for sustainable development                              | 17.16.1   | The National SDG Council w<br>of various stakeholders is th<br>in Malaysia to support the a<br>Dashboard was established<br>the achievement of the SDG  | ne highe<br>Ichievem<br>under [ | st governand<br>nent of the S | ce structure<br>DGs. SDG                |
| 17.17  | Encourage effective partnerships  | 17.17.1   | Amount committed to public-private partnerships for infrastructure (USD)  | 2.3<br>billion                  | 1.7 billion                   | 10.5 billion                            |
|  |   | 17.18.1   | Percentage of relevant<br>sustainable development<br>indicators at the national<br>level, in accordance with<br>the Fundamental<br>Principles of Official<br>Statistics (%)   | 128.6                           | 189.4                         | NA                                      |
| 17.18 Enhance availability of reliable data    |   | 17.18.2   | Statistics Act 1965 (Revised 1989) in Malaysia is partially complied with the Fundamental Principles of Official Statistics. The Department of Statistics Malaysia (DOSM) has adopted the work process of Generic Statistical Business Process Model (GSBPM), which is complied with the Fundamental Principles of Official Statistics. |                                 |                               | ficial<br>(DOSM)<br>tical<br>plied with |
|  |   | 17.18.3   | Malaysia's national statistica<br>Government of Malaysia.   | al plan is                      | fully funded                  | d by                                    |
|  |   | 17.19.2   | Malaysia has conducted the<br>Census every 10 years since<br>conducted in 2020.   |                                 |                               |   |
| 17.19 Further develop measurements of progress | •   | 17.19.2   | Birth registrations (%);<br>global target: 100%   | 100                             | 100                           | 100                                     |
|  | 17.19.2   | Death registrations (%);<br>global target: 100% | 97.9  | 97.9                            | 97.9                          |   |
|  |   |   |   |                                 |                               |   |

Source: DOSM, SDG Dashboard



### **Status and Progress**

### Strengthening Global Partnerships Through International Cooperation

Malaysia supports global partnerships through South-South Cooperation, notably through development, capacity building and technical assistance programmes such as MTCP. In addition, Malaysia also engages in North-South partnership through Third Country Training Programmes (TCTP) by collaborating with development partners, donor countries and multilateral organisations. This North-South partnership enriches SSC and has enabled effective cooperation modalities to be implemented.

Between 1980 and 2024, a total of RM802.79 million was allocated to support 1,026 courses under MTCP, benefiting over 38,000 participants from 144 countries.<sup>274</sup> Annual budget allocations were adjusted in response to global developments, with RM10 million allocated in 2020, RM4.2 million in 2021 and RM6 million in 2022.<sup>275</sup> This was followed by an upward revision to RM8.5 million in 2023 and RM14 million in 2024, reflecting a renewed commitment to international cooperation and capacity building.<sup>276</sup>

Malaysia's PPP commitment for infrastructure rose from USD1.7 billion in 2022 to USD10.5 billion in 2023, emphasising private sector involvement in sustainable infrastructure development.<sup>277</sup> Globally, Malaysia's standing as an international investment destination has also enhanced its efforts in global partnerships.

### Chapter Six: Progress on the Partnership Pillar

Total FDI approved for manufacturing and services under the purview of the Malaysian Investment Development Authority (MIDA) saw an exponential increase from RM58 billion in 2020 to RM200 billion in 2021. The Government also recorded total approved investment amounting to RM329.5 billion in 2023, with the services sector accounting for RM168.4 billion in approved investments and the manufacturing sector accounting for RM152 billion. In 2024, this figure rose to RM378.5 billion with the services sector accounting RM252.7 billion, manufacturing at RM120.5 billion and primary sectors at RM5.3 billion.

### **Enhancing Multi-Level Governance for the SDG**

Malaysia enhances policy coherence through national and sub-national mechanisms, aligning policies across all levels of government. Since the 11MP, the national development agenda has been aligned with SDG, including localising the SDG at the sub-national level.<sup>281</sup> Sub-national governments prepare VLR that help enhance coherence and alignment with national SDG mechanism, in addition to tracking and monitoring regional and local progress. The APPGM-SDG facilitates SDG localisation in partnership with Members of Parliament in their respective constituencies. Working in 143 constituencies, this multi-stakeholder collaboration engages local communities in advancing SDG through local solutions. At the national level, Malaysia demonstrates SDG commitment, particularly in poverty eradication and sustainable development, through national ownership in successive Malaysia Plans.<sup>282</sup> Building on the existing national SDG governance structure, Malaysia upholds a multi-level stakeholder coordination system that facilitates effective planning, implementing, monitoring and tracking of SDG across national and sub-national level including with the private sector and civil society organisations.

### Improving SDG Progress Monitoring Through Data Availability and Reliability

The Government has consistently improved public data access, launching an open data initiative and the Public Sector Open Data Portal in 2014. The COVID-19 pandemic accelerated this, with the MOH establishing data portals for pandemic statistics. In 2023, DOSM launched the OpenDOSM NextGen platform, a website which allows the public unrestricted access to official DOSM statistics data from other government agencies and departments.<sup>283</sup> The FolA contributes to enhance public service and participation in policymaking, with the development of the bill currently underway.

Malaysia has enhanced SDG monitoring by improving data availability and reliability, such as gender-specific indicators. Its Open Data Inventory (ODIN) score rose from 59 in 2022 to 90 in 2024, ranking Malaysia first out of 198 countries, up from 67th position previously (2022).<sup>284</sup> SDG data availability has improved from 52% in 2021 to 79% in 2023 (or 81% for data relevant to Malaysia), with 196 of 248 relevant indicators now available.<sup>285</sup> Gender-specific indicators have significantly improved, with 44 of 54 now available.<sup>286</sup> Subnational data availability also improved, with 82 state-level indicators in 2023 and 26 district-level indicators.<sup>287</sup>



### **Present Efforts**

### **Strengthening Global Partnerships Through International Cooperation**

The MTCP offers short-term training, long-term programmes in universities, study visits, practical attachments and Dispatch of Experts Programme (DOE).<sup>288</sup> The DOE programme leverages on Malaysia's expertise in offering technical guidance and strengthening development efforts in developing countries. Development partnerships have also been strengthened through engaging multiple stakeholders under TCTP. These include Japan International Cooperation Agency (JICA), the Islamic Development Bank (IsDB), the German International Cooperation Agency (GIZ), African Rural Development Organisation (AARDO), Australia Aid (AusAID), the African Institute for Economic Development and Planning (IDEP) and the Turkish Cooperation and Coordination Agency (TİKA).

Malaysia also provides technical assistance on a bilateral basis to foster regional cooperation. For example, the nation is providing support to Timor Leste to bolster its development framework in preparation for the country's ASEAN accession. Through the ASEAN Intergovernmental Commission on Human Rights (AICHR), the nation has undertaken several programmes and initiatives aligned with the SDG. These include AICHR-UN Joint Expert Meeting on Human Rights, Environment and Climate Change as well as ASEAN Forum on Human Rights and SDG 11. As Malaysia assumes the ASEAN chairmanship for 2025, the Government will also leverage this leadership role to bolster regional collaboration and position the country as the premier investment destination for the Southeast Asian region.<sup>289</sup>

The Government also introduced the PIKAS 2030, building on Public Private Partnership Unit within the Prime Minister Office in 2009, a framework built around four strategic pillars and 17 key initiatives to strengthen and sustain PPPs for national prosperity.<sup>290</sup> The marked increase of approved investment in 2023 is a result of the government's ongoing effort to enhance the country's investment facilitation and the government leadership's engagement with broad ranging international investment stakeholders, including foreign governments as well as international investment and business organisations.<sup>291</sup>

### **Enhancing Multi-Level Governance for the SDG**

Malaysia's national development planning has progressively integrated the SDG through the successive Malaysia Plans, with the 11MP laying the foundation by aligning national priorities with the 2030 Agenda. The 12MP continued this, deepening the alignment across all 17 SDGs. The MTR 12MP reaffirmed this direction through the *Ekonomi MADANI* framework, which reinforces development priorities such as sustainability, prosperity and high-income growth for the nation. CSOs also participate in various policy discussions and engagement sessions, adding community voices and perspectives into ongoing policies including the SDG.

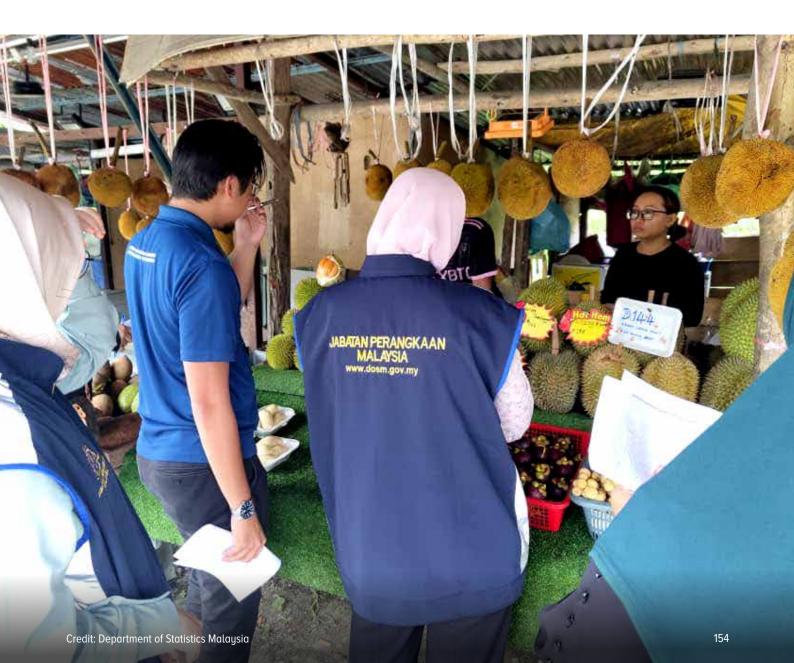
Sub-nationally, state-level policies are aligned with the SDG. The Sabah Maju Jaya development plan is a strategic blueprint to drive inclusive and sustainable growth in Sabah, through key economic sectors, human capital development, green infrastructure and good governance.<sup>292</sup> Similarly, Sarawak's Post-Covid Development Strategy 2030, provides a roadmap to transform into a high-income state by 2030.<sup>293</sup> In parallel, the five regional economic corridors (Northern Corridor Economic Region, East Coast Economic Region, Iskandar Malaysia, Sabah Development Corridor and Sarawak Corridor of Renewable Energy) promote balanced economic growth and implement national development policies aligned with the SDG.<sup>294</sup>

### Improving SDG Progress Monitoring Through Data Availability and Reliability

Under the leadership of DOSM, Malaysia conducts Population and Housing Census, specialised censuses and surveys to monitor sectoral progress. The Economic Census, a comprehensive count of business establishments and non-profit organisations, has been carried out every five years since 2001, with the most recent one in 2023.<sup>295</sup> In 2024, the Census of Agriculture gathered data on the agricultural workforce, collecting demographic and socioeconomic profiles up to the smallest geographical level. It aims to measure 21 agricultural indicators across seven SDGs.

Malaysia also regularly conducts surveys, such as the National Health and Morbidity Survey and Household Income and Expenditure Survey, to periodically monitor trends and progress in specific socioeconomic domains.<sup>296</sup> These surveys, carried out by DOSM and relevant ministries and agencies, inform policy making and social assistance planning.

At the international level, Malaysia was appointed as a member of Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDG) from 2019 to 2023, participating actively in the platform and sharing best practices on SDG monitoring. As a member of IAEG-SDG, Malaysia has also volunteered in the Working Group on Geospatial Information (WGGI) since 2020.



### **Challenges and Way Forward**

### **Ensuring the Continuation of Effective South-South Collaboration Efforts**

As a developing country, Malaysia strives to balance its own national development priorities while continuing to contribute to South-South Cooperation through development and technical assistance programmes. Continued financial support for these programmes is vital to enable Malaysia to leverage on the long-term benefits, while prioritising domestic development needs and challenges. This commitment is demonstrated through the nation's efforts to strengthen collaborations between Global South countries, despite the disruptions caused by COVID-19 in 2021.<sup>297</sup>

Malaysia's 2025 ASEAN chairmanship offers an opportunity to highlight its vision for an inclusive and sustainable ASEAN. Malaysia's engagement with Global South counterparts, ASEAN Member States and international forums such as the UN underscores its continuous commitment to multilateralism.

### **Expanding Multi-Level Governance for the SDG**

Efforts are underway to improve policy coherence, enhance efficiency and reduce duplication by streamlining coordination and alignment between national and sub-national public service delivery systems.<sup>298</sup> The Government has also collaborated closely with development partners through technical expertise, policy advisory services and capacity-building initiatives in areas such as data governance, digital integration and service delivery coordination. Frameworks such as GovTech can enhance public service administration and delivery effectiveness to address future digitalisation challenge caused by emerging technologies. Formulating initiatives across key priority areas such as data, digital governance and cybersecurity can increase the effectiveness of public services. Strengthening reporting mechanisms and practices, as well as safeguarding personal data can encourage greater collaboration in SDG implementation between the Government and other stakeholders.

Challenges such as physical pressure, fragmented negotiation processes, limited transparency and weak governance structure have been actively addressed through PIKAS 2030, which aims to improve PPP governance, enhance efficiency, accountability, financial and risk management and promote human and talent capital development.<sup>299</sup>

### **Strengthening Data Governance Ecosystem**

The Government has initiated PADU to further enhance data sharing and coordination, while promoting cohesive and effective governance which can support sustainable development. Further investment in data collection, digital infrastructure and open-data platforms will improve real-time SDG targets and indicators tracking. Prioritising data transparency and governance will build an accountable, evidence-driven development framework, strengthening Malaysia's progress to sustainable development.





# BOX ARTICLE 6.1: MALAYSIA'S UNWAVERING COMMITMENT TO MULTILATERALISM THROUGH THE UNITED NATIONS

Since joining the UN in 1957, Malaysia has remained a steadfast supporter of multilateralism, contributing to global peace, security and sustainable development. It has participated in 38 UN peacekeeping missions, deploying 40,000 personnel, and currently ranks 19th among troop-contributing countries. The Malaysian Peacekeeping Centre, established in 1995, also provides training for international peacekeepers.

Malaysia has held prominent roles in the UN General Assembly, including seven Vice-Presidencies and one Presidency held by Tan Sri Razali Ismail in 1996. It has served seven terms on the Economic and Social Council (ECOSOC) and three terms on the UNHRC, most recently from 2022 to 2024. During this term, Malaysia introduced resolutions on public service delivery and child safety in digital spaces. Malaysia was also elected as President of the UN-HABITAT Assembly (2025-2027) and member of its Executive Board (2027-2029) in May 2025, enabling the country to work with other Member States to set policy direction on Sustainable Urban Development and Human Settlements.

Malaysia has co-sponsored over 100 resolutions and delivered hundreds of statements advocating for human rights, including those on Palestine, Myanmar, Islamophobia, Indigenous rights, and climate justice. It has also supported peace and reconstruction efforts in South Africa and Bosnia and Herzegovina, and continues to call for Palestinian self-determination. Malaysia's sustained engagement across peacekeeping, diplomacy and human rights underscores its role as a principled advocate for global equity, justice and cooperation.

# BOX ARTICLE 6.2: LOCALISING SDG THROUGH MEMBERS OF PARLIAMENT AS SDG AGENTS

The APPGM-SDG is a bi-partisan initiative of the Parliament of Malaysia to localise the SDG at the constituency level. Since its establishment in 2019, it has worked in 143 out of 222 constituencies to identify local needs and has implemented 1,373 micro-SDG projects, including community programmes and farming initiatives, in partnership with nearly 950 local organisations. This unique approach to SDG localisation is driven by the involvement of Members of Parliament across political parties and has fostered community participation as well as multi-stakeholder collaboration.

In order to enhance policy effectiveness and partnerships across the different levels of society in Malaysia, APPGM-SDG has implemented five key initiatives in addition to its ongoing work. These include:

- **1. Parliamentary focus groups** to tackle persistent issues such as poverty, welfare and food security, resulting in eight policy reports.
- **2. District-level policy solutions** supported by the MOF which address local challenges through cross-sector collaboration in 55 districts across the country.
- **3. Strengthened collaboration with sub-national governments** through structured coordination with District Offices and government agencies to support SDG assessment and implementation.
- **4.** Capacity building and knowledge sharing through training for local stakeholders and publications to support evidence-based policymaking.
- **5. Enhanced implementation support through decentralised operations** in Ipoh, Kota Bharu and Petaling Jaya and strengthened presence in Sabah and Sarawak.

APPGM-SDG connects national SDG priorities with local realities, advancing inclusive, community-driven development in localising the 2030 Agenda.



# Charting the Way Forward

#### Chapter Seven: Charting the Way Forward

Since VNR 2021, Malaysia has continued to demonstrate a strong trajectory towards sustainable and inclusive development in meeting the 2030 Agenda. The country aligns its national policies, strategic initiatives and partnerships, with the SDG, ensuring sustainable, inclusive and resilient economic growth with policy coherence across all levels.

Malaysia has demonstrated resilience in responding to challenges such as disrupted economic growth due to COVID-19, which is exacerbated by climate change impacts and increasing societal expectations. The Government is strengthening its economy, driving reforms and enhancing governance. Key measures include strengthening social protection, undertaking institutional and legal reforms as well as introducing climate legislation which have been critical for economic recovery and enhancing a liveable environment.

The Government prioritises targeted and inclusive interventions with 12MP and its MTR, outlining the commitment to addressing key issues related to inclusive growth, climate resilience and social well-being, in line with the aspirations of Malaysia *MADANI*. Guided by the theme of "Sustainable, Prosperous, High-Income Nation", efforts under the MTR 12MP focuses on three key areas, namely strengthening sustainability, building a prosperous society and achieving high-income nation, enabled by enhancing efficiency of public service delivery.

Key domestic challenges persist, including socio-economic inequality, environmental degradation and social challenges, compounded by geopolitical shifts, economic volatility and climate change impacts globally that threaten well-being and food security. Governance and institutional reforms continue to be prioritised towards enhancing transparency, accountability and efficiency in public service delivery. Malaysia continues to emphasise multilateralism, regional integration and promoting peace, stability and economic prosperity. As the nation has made significant SDG progress as reflected in this VNR, intensified efforts to address persistent issues remain essential to attain the SDG by 2030.

### **Way Forward**

The implementation of Malaysia's Phase 3 SDG coincides with the delivery of 13MP in advancing the 2030 Agenda. Strategic alignment between the Malaysia Plans and the 2030 Agenda has begun since 11MP and will continue in 13MP for successful SDG implementation. The three major focus areas of 13MP include achieving high and equitable income, ensuring environmental sustainability and enhancing people's quality of life. In line with this, the five strategic approaches outlined below can guide Malaysia towards a more inclusive and sustainable future to attain the Sustainable Development Goals.

### **Strengthening Social Inclusion and Human Capital Development**

Refined data collection methods, particularly through improved disaggregated data collection will provide deeper insights and address intersectional development challenges. This will help identify vulnerable populations and enable targeted programming and inclusive policymaking. Expanding access to quality healthcare will reduce health disparities and ensure adequate medical attention for all communities. Therefore, strengthening healthcare infrastructure is essential for UHC, especially in rural areas.

Reinforcing GRB in government expenditures leads to a more efficient resource allocation, increases economic opportunities for women and vulnerable groups and reduces gender-based disparities. The recently launched National Women's Policy 2025-2035 will guide national efforts to remove systemic barriers faced by women and girls, ensuring their full participation in economic and social life. As part of Malaysia's broader human capital development agenda, it provides a concrete roadmap for for mainstreaming gender equality, in line with SDG 5 and the nation's commitment to inclusive development under the *MADANI* framework.

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Integrating the care economy into national policies is critical as Malaysia moves towards ageing nation. Recognising and redistributing unpaid care work will promote gender equality and create economic opportunities, strengthen social protection, empower caregivers and foster a more resilient economy. Human capital development is important for Malaysia's progress towards attaining the SDG, as a skilled and inclusive workforce can support sustainable economic growth and social well-being. Investing in quality education, upskilling and reskilling ensures that workforce will be equipped to drive innovation and enhance productivity.

### **Towards a Resilient and Inclusive Economy**

Malaysia's economic strategy prioritises inclusive growth that uplifts all segments of society while enhancing national competitiveness. The nation aspires to achieve equitable and sustainable growth by focusing on high-skilled job creation and narrowing socio-economic disparities through the expansion of social protection programmes. Advancing the industrial value chain and fostering employment in high-value-added industries will accelerate economic growth and enhance workforce competitiveness, contributing to a more resilient economy for the future. This is further strengthened by ensuring energy security through energy diversification. Expanding renewable energy investments, increasing the adoption of energy efficiency practices and strengthening regional cooperation will enhance energy security, reduce reliance on fossil fuels and support climate commitments.

At the same time, reducing inequalities across regions, income groups and ethnicities remains a priority in building an inclusive economy. Strengthening policies that promote equitable access to economic opportunities and social services will bridge socio-economic gaps and foster stronger social cohesion. A stronger emphasis on people-centric infrastructure is vital for improving quality of life. Enhancing land-use efficiency, upgrading sanitation systems and integrating urban health considerations into public planning will contribute to sustainable urban development, ensuring liveable and inclusive communities.

### **Green Growth through Climate-responsive Strategies**

Coordinated efforts across sectors and governance levels are critical to strengthening adaptive capacity, enhancing environmental stewardship and promoting inclusive green growth in the face of intensifying climate risks. In doing so, strengthening climate mitigation and adaptation are crucial for minimising the impacts of extreme weather events and biodiversity loss. Enhancing disaster preparedness, ecosystem resilience and sustainable land management will safeguard communities, livelihoods and natural resources against the adverse effects of climate change.

Encouraging nature-based solutions and circular economy approaches are central to Malaysia's green transition. Malaysia continues to embed climate considerations across national and subnational planning processes, including budgeting, infrastructure development and land use policy. Efforts such as climate risk mapping, climate-resilient infrastructure guidelines and integrated river basin management are being scaled up to reduce vulnerability and build long-term resilience.

The private sector plays an increasingly important role in climate action, supported by government-backed initiatives, clear regulatory signals and ESG disclosures. PPP are driving the adoption of sustainable technologies and fostering innovation in areas such as renewable energy, energy efficiency and sustainable agriculture. Promoting sustainable financing is also key to accelerating the growth of green industries and advancing low-carbon development through expanded investment incentives and climate financing mechanisms. In addition, collaboration between Malaysia and regional partners to strengthen cross-border climate responses, share knowledge as well as mobilise technical and financial support can provide further guidance on more active private sector participation.

### **Strengthening Governance Systems and Public Sector Reform**

Malaysia continues to advance governance reforms through measures aimed at improving accountability, transparency and institutional integrity. Undertaking legal reforms remains central to upholding the rule of law, ensuring access to justice for all and promoting good governance. Strengthening national unity and promoting more peaceful society through intensified crime prevention efforts will help preserve Malaysia's status as a peaceful nation.

The Government will continue to enhance public sector reform measures for administration and regulatory systems. Service delivery improvement such as reducing overlaps and expanding outreach can continue to ensure a more responsive governance system. By leveraging digital platforms, strengthening capacity and prioritising efficient service delivery, the Government can continue to meet the evolving needs of society especially vulnerable and remote communities, as well as foster public trust to support sustainable development.

### **Enhancing Partnerships and Data-Driven Decision-Making**

Malaysia continues to deepen collaboration across sectors and borders in recognising the importance of coordinated action and informed decision-making to achieve the SDG. The nation actively contributes to South-South Cooperation by supporting developing countries through knowledge exchange, capacity building and technical assistance. These efforts foster shared economic growth, promote sustainable development and strengthen regional cooperation.

Closer collaboration between the Government, the private sector and international organisations enhances policy coherence and ensures the optimal use of resources. Improving the availability, quality and disaggregation of data is critical for monitoring SDG progress especially at the local level. The Government continues to strengthen data systems that enable evidence-based policymaking and enhance transparency in the implementation of the 2030 Agenda.





### **Final Reflections**

Malaysia has made commendable strides in advancing the SDG, driven by a combination of improved service delivery, institutional and policy reforms as well as multi-stakeholder collaboration across international and domestic levels. Notable progress has been demonstrated in key areas such as alleviating poverty, increasing education and healthcare access as well as advancing green growth. Malaysia is also intensifying efforts towards reducing multi-faceted inequalities, enhancing governance systems and strengthening climate resilience in ensuring progress towards sustainable development. These areas require targeted and accelerated interventions to ensure that Malaysia's development trajectory remains inclusive, equitable and sustainable by upholding the just transition principle in the face of growing global and domestic uncertainties. Bold, transformative and radical strategies are essential to align the 13MP with the SDG, enabling Malaysia to proactively navigate future complexities and progress towards becoming a high-income nation, equitable and climate-resilient nation.

Malaysia's commitment to the 2030 Agenda remains steadfast as the nation continues to accelerate efforts in closing remaining gaps by strengthening policy coherence, deepening stakeholder engagement and adopting a whole-of-nation approach. Priorities moving forward include expanding equitable healthcare and education access, nurturing talents, narrowing gender gaps, balancing subnational growth, safeguarding national resources, enhancing marine and environmental sustainability as well as cultivating stronger multi-stakeholder partnerships. Realising these aspirations will require improved governance, mobilised financing, strengthened M&E mechanisms and strategic communications as well as better data availability. With robust institutional frameworks, progressive policy momentum and a clear emphasis on inclusion, Malaysia is well-positioned to deliver its SDG commitments and ensure that no one is left behind.

### **ABBREVIATIONS**

Please note that all government programme and policy acronyms are derived from their official names in Bahasa Malaysia.

African Institute for Economic Development and Planning	IDEP
African Rural Development Organisation	AARDO
All-Party Parliamentary Group	APPGM
Anti-Bribery Management Systems	ABMS
Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act	ATIPSOM
Artificial Intelligence	Al
ASEAN Capital Markets Forum	ACMF
ASEAN Intergovernmental Commission on Human Rights	AICHR
ASEAN Smart City Network	ASCN
Asian Development Bank	ADB
Association of Southeast Asian Nations	ASEAN
Australia Aid	AusAID
Biodiversity Protection & Patrolling Programme	BP3
Bursa Carbon Exchange	BCX
Carbon Capture, Utilisation, and Storage	CCUS
Carbon Offsetting and Reduction Scheme for International Aviation	CORSIA
Central Database Hub	PADU
Child Interview Centres	CIC
Child Sexual Abuse Material	CSAM
Civil Society organisation	CSO
Coalition of Malaysian NGOs in the UPR Process	COMANGO
Communication, education, awareness and promotion	CEPA
Compensation of Employees	CE
Comprehensive and Progressive Agreement for Trans-Pacific Partnership	CPTPP
Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security	CTI-CFF
Corruption Perception Index	CPI
Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants	NSO MAPO
Department of Orang Asli Development (Jabatan Kemajuan Orang Asli)	JAKOA
Department of Social Welfare	JKM
Department of Statistics Malaysia	DOSM
Department of Wildlife and National Parks	PERHILITAN
Deutsche Gesellschaft für Internationale Zusammenarbeit	GiZ
Development of Human Resources for Rural Areas	DHRRA
Dewan Bandaraya Kuala Lumpur	DBKL
Dispatch of Experts	DOE
Domestic Direct Investment	DDI
East Coast Rail Link	ECRL
Ecological Fiscal Transfer	EFT

Economic and Social Council	ECOSOC
Ecosystem Approach to Fisheries Management	EAFM
Education Management Information System	EMIS
Eleventh Malaysia Plan	11MP
Enforcement Agency Integrity Commission	EAIC
Environmental Quality Act	EQA
Environmental, Social, and Governance	ESG
Extended producer responsibility	EPR
Feed-in Tariff	FiT
Financial Times Stock Exchange	FTSE
Foreign Direct Investments	FDI
Forest Carbon Offset	FCO
Forest Conservation Certificate	FCC
Free Trade Agreement	FTA
Freedom of Information Act	FoIA
Gender-Responsive Budgeting	GRB
Gender Responsive Budgeting in Practice	GRBiP
Gender-Based Violence	GBV
GLCs for the People and Nation	GDRN
Global Alliance of National Human Rights Institutions	GANHRI
Global Peace Index	GPI
Government-Linked Companies	GLC
Government-Linked Investment Companies	GLIC
Green Bond Principles	GBP
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Green Bond Standards	GBS
Green Bond Standards Green Investment Strategy	
	GBS
Green Investment Strategy	GBS GIS GTFS GHG
Green Investment Strategy Green Technology Financing Scheme	GBS GIS GTFS
Green Investment Strategy Green Technology Financing Scheme Greenhouse Gases	GBS GIS GTFS GHG
Green Investment Strategy Green Technology Financing Scheme Greenhouse Gases Gross Domestic Product	GBS GIS GTFS GHG GDP GNI HGHV
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Green Investment Strategy Green Technology Financing Scheme Greenhouse Gases Gross Domestic Product Gross National Income High Growth High Value Human Rights Commission of Malaysia Hybrid hydro-floating solar Illegal, Unreported and Unregulated Important Marine Mammal Areas Inisiatif Operator Perkhidmatan Inisiatif Pendapatan Rakyat Inisiatif Usahawan Makanan Inisiatif Usahawan Tani	GBS GIS GTFS GHG GDP GNI HGHV SUHAKAM HHFS IUU IMMA IKHSAN IPR INSAN INTAN

International Civil Aviation Organization International labour organisation International Union for Conservation of Nature International Union for Conservation of Nature Islamic Development Bank IsDB Japan International Cooperation Agency Joint Committee on Climate Change Joint Committee on Climate Change Jow Key performance indicators KPI Klima Action Malaysia KAMY Labour Force Participation Rate LFPR Land use, land use change and forestry Lulucol Large-Scale Solar Light rapid transit Litres per capita per day Icd Low Carbon Mobility Blueprint Malaysia Adaptation Index Malnysia Forest Fund Malaysia Forest Fund Malaysia Internet Crime Against Children Malaysian Anti-Corruption Commission MACC Malaysian Maritime Enforcement Agency Malaysia Smart City Framework Malaysian Sustainable Palm Oil MSPO Malaysian Technical Cooperation Programme MTCP
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Malaysia Smart City Framework MSCF Malaysian Sustainable Palm Oil MSPO
Malaysian Sustainable Palm Oil MSPO
Malaysian Technical Cooperation Programme MTCP
Malaysian Urban-Rural National Indicators Network for Sustainable Development MURNII
Malaysian Civil Servants' Housing Projects PPAM
Malaysian Investment Development Authority  MIDA
Malaysian Youth Delegation MYD
MAPO Integrated Data System MIDS
Marine Protected Area MPA
Mass Rapid Transit MRT
Meeting of Environmental Ministers and State Government Council Members MEXCO
Member of Parliament MP
Menyemai Kasih Rakyat MEKAR
Mid-Term Review MTR
Ministry of Agriculture and Food Security KPKM
Ministry of Education MOE
Ministry of Health MOH
Ministry of Natural Resources, Environment, and Sustainability  NRES
Ministry of Women, Family and Community Development KPWKM
Williamly of Women, Family and Community Development
Monitoring and evaluation  M&E

National Action Plan for the Advancement of Women	
	NAPAW
National Action Plan on Business and Human Rights	NAPBHR
National Adaptation Plan	myNAP
National Agrofood Policy	DAN
National Anti-Corruption Plan	NACP
National Anti-Corruption Strategy	NACS
National Anti-Financial Crime Centre	NFCC
National Climate Change Policy 2.0	NCCP 2.0
National Digital Network	JENDELA
National Disaster Management Agency	NADMA
National Energy Policy	DTN
National Energy Transition Roadmap	NETR
National Guidelines on Human Trafficking Indicators	NGHTI
National Human Rights Institution	NHRI
National Industrial Master Plan	NIMP
National Legal Aid Foundation	NLAF
National Policy on Biological Diversity	NPBD
National Policy on Women	NPW
National Reproductive Health Education and Social Policy	PEKERTI
National Rural Physical Policy 2030	NRPP
National Scam Response Centre	NSRC
National SDG Centre	PSN
National Security Council Directive	MKN
National Sustainability Reporting Framework	NSRF
National Urbanisation Policy 2	NUP 2
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Nationally Determined Contributions	NDC
Nationally Determined Contributions  Net Energy Metering	NDC NEM
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Nationally Determined Contributions  Net Energy Metering  New Investment Policy  New Urban Agenda  Ninth Malaysia Plan  Non-Radioactive Rare Earth Elements  Non-Revenue Water  Official Secrets Act  One-Stop Crisis Centres  Open Data Inventory  Operasi Bersepadu Khazanah  Organisation for Economic Co-operation and Development  Other Effective Area-Based Conservation Measures  Parliamentary Select Committees	NDC NEM NIP NUA 9MP NR-REE NRW OSA OSCC ODIN OBK OECD OECM
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Preschool Food Aid Programme	BMP
Research and Development	R&D
Rural Electrification Programme	BELB
Rural Road Programme	JALB
People's Housing Project	PPR
Program Sokongan Pengukuhan Keusahawanan Luar Bandar	SPKLB
Integrated Village Economic Development Project	PROSPEK
Public Complaints Bureau	PCB
Public Private Partnership Unit	UKAS
Public-Partnership Master Plan 2030	PIKAS 2030
Public-Private Partnerships	PPP
Public Sector Digitalisation Strategic Plan 2021–2025	PSPSA
Queue Management System	QMS
Rahmah Cash Aid	STR
Supplementary Food Programme	RMT
Reduce, Reuse, and Recycle	3R
Refugee Registration Document	DPP
Regional Comprehensive Economic Partnership	RCEP
Responsible Transition	RT
Royal Malaysian Police	PDRM
Rural Transformation Programme	RTP
Sahabat Alam Malaysia	SAM
Science Panel for Borneo	SPB
Science, Technology, Engineering and Mathematics	STEM
Second Chances and Opportunities for People to Excel	SCOPE
Securities Commission	SC
Small and medium enterprise	SME
Social Bond Principles	SBP
Social Bond Standards	SBS
Solar for Rakyat Incentive Scheme	SolaRIS
Solid Waste Management and Public Cleansing Corporation	SWCorp
South East Asia Rainforest Research Partnership	SEARRP
Special Economic Zone	SEZ
Sumbangan Asas Rahmah	SARA
Sustainability Bond Guidelines	SBG
Sustainability Bond Standards	SuBS
Sustainability Malaysian Government Investment Issues	MGII Lestari
Sustainable and Responsible Investment	SRI
Sustainable Aviation Fuel	SAF
Sustainable Consumption and Production	SCP
Sustainable Development Goals	SDG
Task Force on Climate-related Financial Disclosures	TCFD

Technical and Vocational Education	TVET
Tenaga Nasional Berhad	TNB
Third Country Training Programme	TCTP
Third World Network	TWN
Thirteenth Malaysia Plan	13MP
Trafficking in Persons	TIP
Turkish Cooperation and Coordination Agency	TIKA
Twelfth Malaysia Plan	12MP
United Nations Children's Fund	UNICEF
United Nations Convention on the Elimination of All Forms of Discrimination	CEDAW
Against Women	
UN Convention on the Rights of the Child	UNCRC
United Nations Development Programme	UNDP
United Nations Economic and Social Commission for Asia and the Pacific	ESCAP
United Nations Framework Convention on Climate Change	UNFCCC
United Nations Human Rights Council	UNHRC
United Nations Human Settlements Programme	UN-Habitat
Universal Health Coverage	UHC
Verified Carbon Standard	VCS
Victim Identification Champion	VIC
Village Development and Security Committees	JKKK
Voluntary Carbon Market	VCM
Voluntary Local Review	VLR
Voluntary National Review	VNR
Water Sector Transformation 2040	Air 2040
Waste-to-energy	WtE
Women Entrepreneur Financing Programme	WEP-LEAP
Working Group on Geospatial Information	WGGI

### **END NOTES**

- <sup>1</sup> Urbanice Malaysia is a Company Limited by Guarantee (CLBG) under the Ministry of Housing and Local Government, dedicated to advancing sustainable urban development. Its work aligns with the localisation of SDGs, focusing on creating liveable cities and climate-responsive urban policies. Urbanice Malaysia collaborates with municipalities to develop their VLRs and develop the VLR Guidelines to support local governments and stakeholders in conducting effective SDG reviews. These guidelines emphasise multi-sectoral cooperation and the integration of localised SDG implementation into urban governance.
- <sup>2</sup> Malaysia Development Finance Assessment: https://www.undp.org/sites/g/files/zskgke326/files/2024-11/malaysia\_development\_finance\_assessment \_301024.pdf
- <sup>3</sup> Bank Negara Malaysia, SDG Sukuk Framework 2021: https://financialmarkets.bnm.gov.my/data-download-documents/1848
- <sup>4</sup> PLANMalaysia is a department under the responsibility of the Ministry of Housing and Local Government (KPKT). PLANMalaysia is the leader in town and country planning in Malaysia to improve the level of well-being of the people and the prosperity of the country by 2030: https://www.planmalaysia.gov.my/.
- <sup>5</sup> DOSM, Poverty in Malaysia, 2022
- <sup>6</sup> Ministry of Health Malaysia. 2022. National Health and Morbidity Survey Maternal and Child Health
- <sup>7</sup> WHO. 2024. Malnutrition. https://www.who.int/news-room/fact-sheets/detail/malnutrition/
- 8 Ministry of Health Malaysia. 2022. National Health and Morbidity Survey Maternal and Child Health
- 9 https://www.bernama.com/en/news.php?id=2218626
- 10 https://www.bernama.com/en/news.php?id=2026806
- 11 https://myplan.planmalaysia.gov.my/admin/uploads\_publication/pdf\_20240209105521\_2.pdf
- <sup>12</sup> Ministry of Health Malaysia. 2021. Health Facts
- $https://www.moh.gov.my/moh/resources/Penerbitan/Penerbitan% 20 Utama/HEALTH% 20 FACTS/Health\_Facts\_2021.pdf$
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- 15 https://www.rurallink.gov.my/program-bekalan-elektrik-luar-bandar-belb/
- 16 https://www.rurallink.gov.my/program-sokongan-pengukuhan-keusahawanan-luar-bandar-spklb/
- <sup>17</sup> Parlimen Malaysia. 2016. Laporan Prosiding mengenai Program Bekalan Air Luar Bandar Negeri Sabah https://www.parlimen.gov.my/images/webuser/pac/hansard%20PAC/2017/DR8%20-%2007092016.pdf
- <sup>18</sup> MyGovernment. 2025. Rural Transformation Center https://www.malaysia.gov.my/portal/content/30048
- $^{19}\ https://hq.moh.gov.my/nutrition/wp-content/uploads/2023/12/1000-hari-pertama-kehidupan.pdf$   $^{20}$

https://www.moh.gov.my/moh/resources/Pemakanan/Buku\_National\_Plan\_of\_Action\_for\_Nutrition\_of\_Malaysia\_III\_2016-20251.pdf

<sup>21</sup> Ministry of Housing and Local Government. 2024. Media release on the Urban Community Economic Empowerment Programme.

 $https://www.kpkt.gov.my/kpkt/resources/user\_1/media\_akhbar/2024/SM\_PENYERAHAN\_SURAT\_KELULUSAN\_PEKB.pdf$ 

- <sup>22</sup> https://bernama.com/en/news.php/news.php?id=2337132
- <sup>23</sup> https://bernama.com/en/news.php?id=2358100
- <sup>24</sup> https://www.bernama.com/en/news.php?id=2394135
- <sup>25</sup> Pangkalan Data Utama. https://padu.gov.my/
- <sup>26</sup> https://www.kpwkm.gov.my/portal-main/article?id=pencapaian
- <sup>27</sup> Parliament, October 2024, via Ministry of Women, Family and Community Development

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- <sup>28</sup> Public Service Department, October 2024; Securities Commission, October 2024 via Ministry of Women, Family and Community Development
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