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☐ Sinar

☒ Star

☐ Metro

Date: 17/10/26

Page: 14

Your opinion

UUM/AA88/TS/17.10.2026/P:14(1-5)

BUDGET 2027 has naturally drawn public attention to household finances, including cash assistance, personal income tax relief and measures to ease the cost of living.

Allocations for environmental sustainability, including initiatives focused on green technology, renewable energy and carbon reduction have also increased.

However, funding for biodiversity conservation deserves far greater consideration as safeguarding our wildlife and natural ecosystems is fundamentally tied to long-term national well-being.

Under Budget 2027, the government has increased the Ecological Fiscal Transfer (EFT) allocation to RM270mil to support state governments in conserving the country's natural heritage, and also set aside RM65mil to support approximately 2,500 community rangers.

In addition, RM15mil from palm oil industry cess collections will support environmental conservation, particularly the protection of endangered wildlife habitats.

The proposed purchase of old fishing nets is another welcome initiative to prevent abandoned

Sharing responsibility for protecting natural heritage

nets from harming marine life.

But increasing public spending is only part of the solution. The fundamental question is how national budgets can actively mobilise private-sector capital to bridge Malaysia's staggering RM4bil biodiversity financing gap, a deficit highlighted under the National Policy on Biological Diversity and the Biodiversity Finance Initiative (Biofin).

Relying heavily on public financing places much of the financial burden on taxpayers.

Biodiversity finance offers a way forward by encouraging governments, businesses and investors to share the costs and responsibilities of protecting nature.

Budget 2027 may be improved by providing stronger incentives for both state governments and

private actors to preserve natural resources rather than convert them for short-term commercial gain.

One way to achieve this is through the EFT mechanism, which serves as a vital compensation tool for states that forgo revenue by keeping their forests intact.

Public funding may be allocated to improve the EFT mechanism in terms of refining how conservation payments are calculated. For example, funding could take into account the ecological importance of forests, the costs of managing protected areas and independently verified conservation outcomes.

Where appropriate, the government could explore complementary tax or financial incentives for private landowners and

community-managed conservation areas, ensuring those who safeguard vital habitats do not bear the financial burden alone.

Future budgets must also integrate established capital markets into conservation efforts: The Bursa Carbon Exchange (BCX), for instance, offers a platform to trade carbon credits and Renewable Energy Certificates (RECs).

Generating carbon credits through verified forest conservation and restoration projects can unlock continuous private revenue streams for local ecosystems.

Overall, Budget 2027 represents a commendable step forward, recognising that healthy ecosystems maintain public well-being and mitigate severe economic losses from climate-driven disasters.

Moving forward, national budgets should do more than just announce fiscal allocations. The government must articulate clear strategies for crowding in private investment, measuring tangible ecological outcomes, and ensuring financial support reaches the communities on the frontlines of conservation.

By strengthening existing funding mechanisms and mobilising responsible private investment, Malaysia can build a more sustainable approach to biodiversity finance while ensuring that the responsibility for protecting its natural heritage is shared more fairly across society.

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