

THE GOVERNMENT OF MALAYSIA

SDG SUKUK FRAMEWORK

April 2021

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Acronyms and Abbreviations

11MP	Eleventh Malaysia Plan	NUP 2	National Urbanisation Policy 2
12MP	Twelfth Malaysia Plan		
13MP	Thirteenth Malaysia Plan	ICU	Implementation Coordination Unit
ACMF	ASEAN Capital Markets Forum	KVDT	Klang Valley Double Tracking
BAKAS	Water Supply and Environmental Sanitation Unit	LEED	Leadership in Energy and Environmental Design
BALB	Rural Water Supply Programme	MoF	Ministry of Finance Malaysia
BELB	Rural Electricity Supply Programme	MSMEs	Micro, Small and Medium Enterprises
CITP	Construction Industry Transformation Programme	MTR	Mid-Term Review
		NAP	National Agrofood Policy
CWCs	Cluster Working Committees	NDCs	Nationally Determined Contributions
DMO	Debt Management Office	NEHAP	National Environmental Health Action Plan
DRN	National Housing Policy		
EPU	Economic Planning Unit	NOSCP	National Oil Spill Contingency Plan
GBP	Green Bond Principles	NPANM	National Plan of Action for Nutrition of Malaysia
GBS	Green Bond Standards		
GHG	greenhouse gas	NPOA-CTI	National Plan of Action for the Coral Triangle Initiative
GoM	Government of Malaysia	NPSTI	National Policy on Science, Technology and Innovation
GTFS	Green Technology Financing Scheme	NSPEA	National Strategic Plan Ending AIDS
ICMA	International Capital Markets Association	NWRP	National Water Resource Policy
ICT	Information and Communications Technology		
NPP 3	National Physical Plan 3	PAMS	Social Amenities Programme

PEKERTI	National Reproduction Health Education and Social Education	SBP	Social Bond Principles
PLI	Poverty Line Income	SBS	Social Bond Standards
PPAM	Malaysia Civil Servants Housing Programme	SC	SDG Sukuk Technical Committee
PPP	Public Private Partnership	SDGs	Sustainable Development Goals
PPR	People's Housing Programme	SMEs	Small and Medium Enterprises
PSD	Public Service Department	SPO	Second Party Opinion
PTCOP	Plan of Action on Child Online Protection	SRI	Sustainable and Responsible Investing
R&D	Research and Development	SuBS	Sustainability Bond Standards
SBG	Sustainability Bond Guidelines	UN	United Nations

1. Introduction

Malaysia is located in Southeast Asia, just north of the equator, and consists of two major landmasses: Peninsular Malaysia and the states of Sabah and Sarawak, which are located on the island of Borneo. Peninsular Malaysia is separated from the states of Sabah and Sarawak by the South China Sea.

The total land area of Malaysia is approximately 330,323 square kilometres and Malaysia has a population of approximately 32.7 million, based on the 2020 estimates of the Department of Statistics Malaysia. In 2020, approximately 69.6 per cent of Malaysia's population comprised Malay and Bumiputera, approximately 22.6 per cent were Chinese, approximately 6.8 per cent were Indian, and approximately 1.0 per cent were other ethnic. Malaysia's population growth rate averaged approximately 0.9 per cent per year from 2016 to 2020.

The Malaysian population mostly live in urban centres as the urbanisation rate of the population was estimated to be approximately 76.6 per cent in 2020, corresponding to an estimated average density of more than 98 people per square kilometre of land. Kuala Lumpur, the capital and largest city, had an estimated population of 1.8 million as at 2020. The official language of Malaysia is Bahasa Malaysia, but English is widely spoken.

Malaysia's tropical landscape and seascape with high biodiversity, high carbon stock values, and the abundance of energy and mineral resources are catalysts in propelling the nation to be at the forefront of climate change. As one of the 17 megadiverse countries in the world, it is a paramount responsibility for Malaysia to preserve more than 15,000 species of flora and 150,000 species of fauna found in various ecosystems across the nation. To protect such ecosystems, Malaysia has pledged to maintain at least 50% of its total land mass as forest cover, which to date stands at 58.2%. In addition, 7 areas have been listed as Ramsar Sites while 32 islands have been gazetted as marine parks.

2. Malaysia's Commitment to Sustainability¹

Malaysia is committed to sustainable development as well as combating climate change in the transition towards a more resilient and inclusive economy.

As a champion of sustainability, Malaysia has adopted the 2030 Agenda for Sustainable Development, comprising 17 United Nations (UN) Sustainable Development Goals (SDGs) and 169 targets. Malaysia has also ratified the Paris Agreement in 2016 and submitted its Nationally Determined Contributions (NDCs), which sets out Malaysia's commitment in reducing greenhouse gas (GHG) emissions intensity of GDP by 45% by 2030, consisting of 35% on an unconditional basis and up to 45% conditional on the assistance from developed countries.

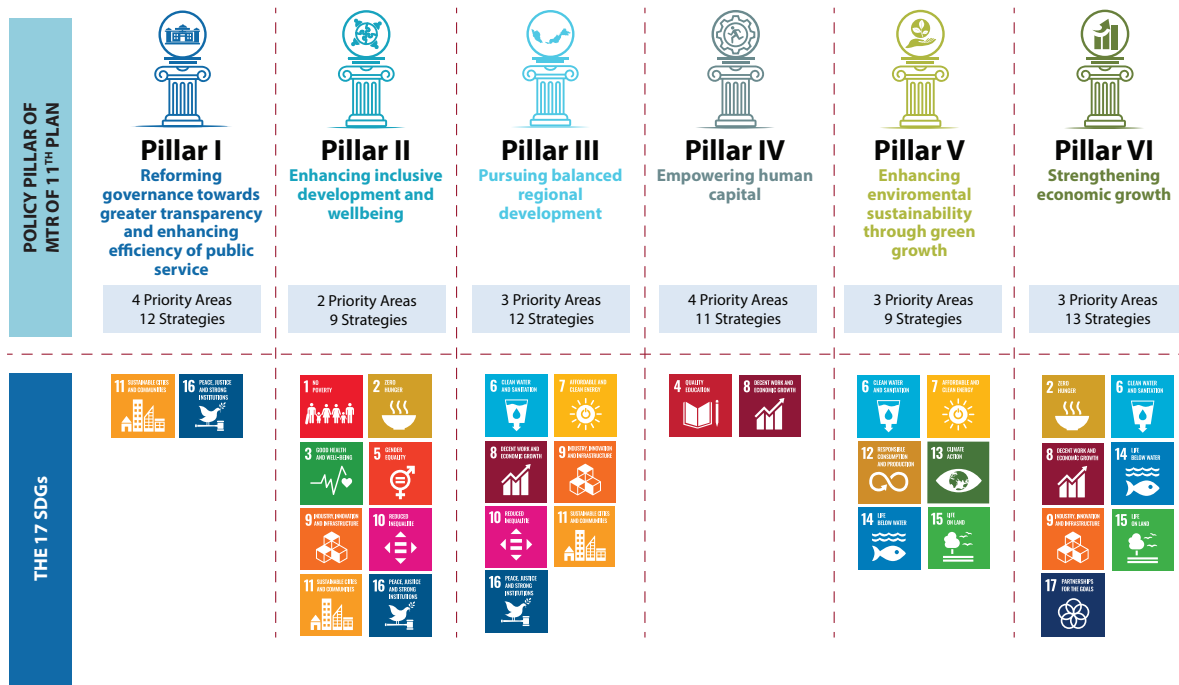
Malaysia's diversity across various socio-economic dimensions is a compelling factor for the country's commitment towards a holistic and cross-sectional development of all demographics, ensuring inclusive progress is observed across ethnic groups, income classes and religions.

¹ <https://www.epu.gov.my/en/sustainable-development-goals>

“Leaving no one behind” is the cornerstone of our Shared Prosperity Vision 2030 of achieving economic growth through equitability of outcome. Central to this vision is equitable and shared benefits for all, with strategies and interventions aimed at addressing disparities across all aforementioned socio-demographic groups.

Sustainable and inclusive development has been the mainstay of Malaysia’s development since the 1970s. Economic growth with equity has always been emphasised by the Government. At the same time, various initiatives have been implemented to eradicate poverty, improve the well-being of the people, provide universal access to education and health and protect the environment. Since Eleventh Malaysia Plan (11MP), 2016-2020, the economic development plan has given greater emphasis to pursue sustainable development agenda based on three main pillars, namely achieving a high-income economy, promoting inclusivity and ensuring sustainability.

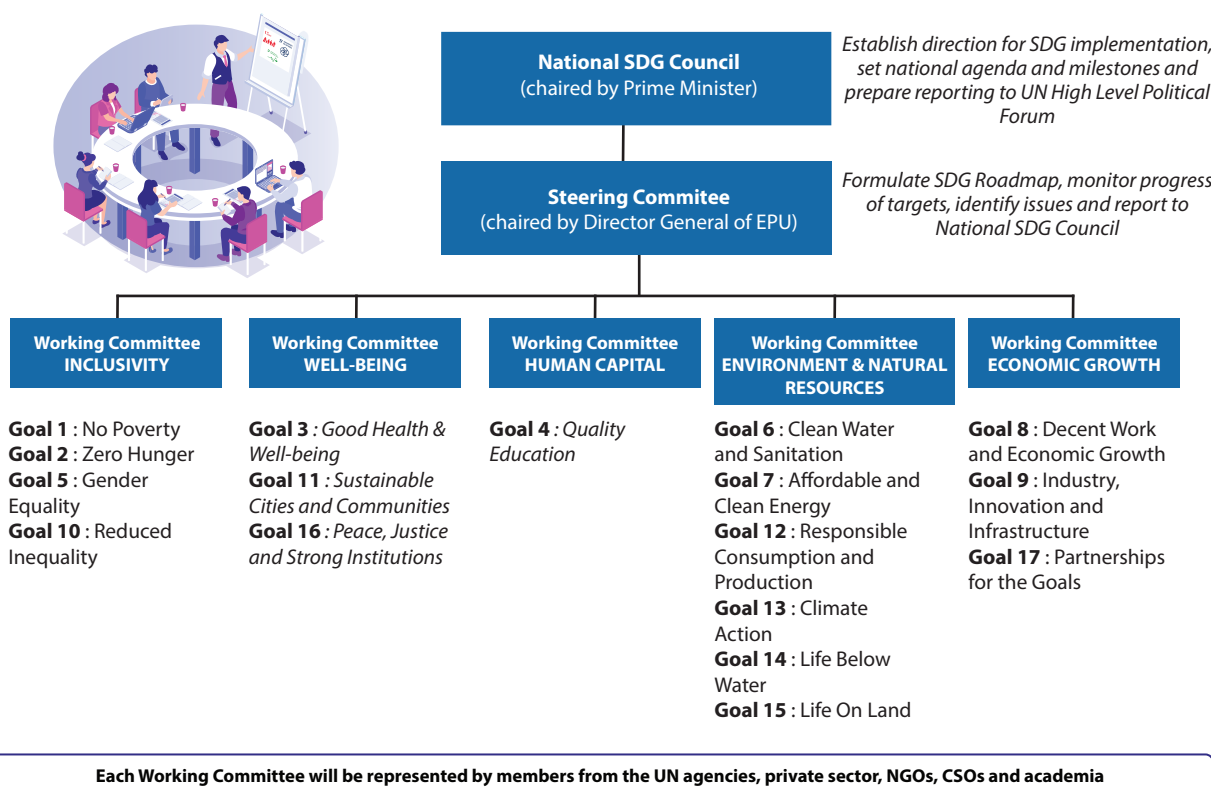
The alignment of the SDGs and the Malaysia’s sustainability agenda is realised through a mapping exercise which involves the integration of the national development’s plan, initiatives and outcomes to the SDGs’ goals, targets and indicators. The mapping exercise began with the 11MP, then continued with the Mid-Term Review (MTR) of 11MP (as shown below), 2018-2020, and subsequently with the Twelfth Malaysia Plan (12MP), 2021-2025 and the Thirteenth Malaysia Plan (13MP), 2026-2030. The incorporation of SDGs into Malaysia’s national objectives allows for efficient allocation of resources and proper monitoring.



Source: Economic Planning Unit, Prime Minister’s Department

Malaysia actively institutionalises SDGs within the nation’s strategic development roadmap, covering economic empowerment, environmental sustainability and social reengineering. In implementing its sustainability agenda, Malaysia is localising SDGs at sub-national levels by replicating the national multi-stakeholder governance structure at state levels; mobilising resources and funding through partnerships with stakeholders including crowd sourcing, social entrepreneurship and Corporate Social Responsibility programmes besides public sector funding; and strengthening data readiness and filling data gaps to develop a comprehensive dataset for SDG implementation.

At the apex of the SDG governance structure, as highlighted in the chart below, is the National SDG Council, chaired by the Prime Minister of Malaysia. The National SDG Council reports to the UN via the High-level Political Forum. Underneath the National SDG Council are the Steering Committee and five SDG Cluster Working Committees (CWCs), which are tasked with identifying indicators for each SDG, as well as with developing and implementing programmes and reporting progress to the Steering Committee. Each CWC is led by a Section Head from the Economic Planning Unit of Malaysia, and includes representatives of Government Ministries/agencies, civil society, the private sector, academics, United Nations agencies and youth representatives.



Source: Economic Planning Unit, Prime Minister's Department

Sustainable Finance in Malaysia

As a key emergent country within ASEAN, it is the aspiration of the nation to be a primary leading centre for sustainable finance in the region, given the extensive roadmap and policies laid out above by the Malaysian government. The government recognises the intensive capital needs required to accomplish the goals set out under the Malaysian Plan, hence a number of initiatives have been taken to bridge this financing requirement.

Cognisant of the importance to nurture local expertise in sustainable finance, in 2014 Securities Commission Malaysia published a Sustainable and Responsible Investing (“SRI”) Sukuk Framework after the ICMA Green, Social and Sustainable Bond Principles/ Guidelines. In January 2021, Securities Commission expanded the SRI Sukuk and Bond Grant Scheme to cover all Sukuk and bonds issued under the SRI Framework and ASEAN Green, Social and Sustainability Bond standards. Under an initiative by Bursa Malaysia, 99 of the top 100 companies have published sustainability reports, an encouraging sign of growing understanding amongst local companies on the importance of incorporating ESG into corporate strategy.

To ensure a conducive environment for the growth of green technology projects, the Ministry of Finance launched the Green Technology Financing Scheme (“GTFS”) in 2010. The purpose of GTFS is to offer a 60% government guarantee on the financing amount and a rebate of 2% on the interest/ profit rate charged by financial institutions, in order to accelerate the expansion of green investments. The latest iteration, GTFS 2.0, concluded at the end of 2020 with a total allocation of RM2.0 billion. A similar amount will be earmarked for GTFS 3.0, which is projected to generate RM4.0 billion in green investments and create 2,500 job opportunities.

Bank Negara Malaysia, the central bank of Malaysia, is also piloting a taxonomy for eligible green investments, akin to the EU Taxonomy. This principle-based taxonomy will help facilitate financial institutions in identifying and classifying economic activities that could contribute to climate change objectives, whilst ensuring flexibility for regional specificities including the different needs of developed and emerging markets. The taxonomy is expected to be introduced in late 2021. Separately, the Value-based Intermediation Strategy Paper was published in 2018, with the aim to strengthen the roles and impact of Islamic banking institutions in adopting relevant practices, offerings and conduct that generate positive and sustainable impact to the economy, community and environment.

The initiatives outlined above are a testament of Malaysia’s relentless commitment in building a sound financing system to channel crucial capital towards sustainable development. It is evident that Malaysia is well positioned to be at the forefront in driving structural change of the sustainable financing landscape.

3. GoM SDG Sukuk Framework

This SDG Sukuk Framework (the “Framework”) has been developed to demonstrate how the Government of Malaysia (“GoM”) intends to enter into the SDG Sukuk to fund projects that will deliver environmental and social benefits which are in close alignment with SDGs.

SDG Sukuk issued under the Framework will be aligned to:

- Social Bond Principles² (“SBP”), Green Bond Principles³ (“GBP”), and Sustainability Bond Guidelines⁴ (“SBG”) of the International Capital Markets Association (“ICMA”) or as they may subsequently be updated;
- Social Bond Standards⁵ (“SBS”), Green Bond Standards⁶ (“GBS”) and Sustainability Bond Standards⁷ (“SuBS”) of the ASEAN Capital Markets Forum (“ACMF”) or as they may subsequently be updated; or as it may be subsequently updated.

GoM asserts that it will adopt the following core components and may choose to issue SDG Sukuk in thematic format to highlight particular project and policy focus, for example Blue bond, Gender bond, etc.

The four (4) components of the Framework are:

1. Use of Proceeds;
2. Project Evaluation and Selection;
3. Management of Proceeds; and
4. Reporting.

The Framework also covers External Review.

The Framework will be in force as long as there is outstanding SDG Sukuk(s). GoM may update this Framework and commits that any new version will keep or improve the current level of transparency and reporting. GoM commits to communicate changes via the Ministry of Finance Malaysia’s (“MoF”) official website: www.mof.gov.my.

SDG Sukuk does not place restriction on the tenure and currency, and may be done in any jurisdiction and market. SDG Sukuk can also include other terms and conditions including covenants to reflect the financing strategy and plans of GoM.

² <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf>

³ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Green-Bond-Principles---June-2018-140618-WEB.pdf>

⁴ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Sustainability-Bond-Guidelines---June-2018-140618-WEB.pdf>

⁵ <https://www.theacmf.org/images/downloads/pdf/ASBS2018.pdf>

⁶ <https://www.theacmf.org/images/downloads/pdf/AGBS2018.pdf>

⁷ <https://www.theacmf.org/images/downloads/pdf/ASUS2018.pdf>

3.1 Use of Proceeds

Under Malaysia’s context, expenditures may take the form of capital investments, subsidies, grants, loans, operating expenditures in relation to provision of public service/public goods as well as financial transfers to local governments / statutory bodies / state-owned entities enabling public services / goods to be provided.


The net proceeds of the SDG Sukuk will be used to finance or refinance, in whole or in part, new or existing development expenditures with Social and/or Green focus (“**Eligible Expenditures**”) governed by External Loans Act 1963 [Act 403] and Development Fund Act 1966 [Act 406].

Based on this Framework, the GoM will issue:





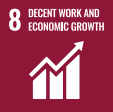
- “**Social Sukuk**”, the proceeds of which will be allocated to Section 3.1.1 (“**Eligible Social Expenditures**”);
- “**Green Sukuk**”, the proceeds of which will be allocated to Section 3.1.2 (“**Eligible Green Expenditures**”); or
- “**Sustainability Sukuk**”, the proceeds of which will be allocated a combination of Section 3.1.1 and Section 3.1.2.

Social Sukuk, Green Sukuk and Sustainability Sukuk are collectively referred as “**SDG Sukuk**”

3.1.1 Eligible Social Expenditure⁸

Eligible Social Project Category	Alignment with SDGs	Eligible Criteria	Example of Projects for GoM
Accessibility to Quality Healthcare		<ul style="list-style-type: none"> • Build and/or upgrade health facilities (hospitals, clinics and other medical facilities) • Enhance support particularly for underserved communities including mobile healthcare and flying doctor services • Establish pandemic-related support programmes and projects to curb the spread of infection, including R&D into vaccines 	<ul style="list-style-type: none"> • Hospitals and clinics (including dental) • Healthcare centres (including fertility and haemodialysis centres) • Medical infrastructure and equipment to ensure essential health care service delivery • Medical research centres

⁸ Eligible Social Projects may be used to support GoM’s COVID-19 response actions

Eligible Social Project Category	Alignment with SDGs	Eligible Criteria	Example of Projects for GoM
Accessibility to Quality Education and Training		<ul style="list-style-type: none"> • Build and/or upgrade public schools, universities and other higher-learning institutions as well as Government training institutions • Professional development and training for lecturers and teachers in delivering quality teaching and learning • Upskilling and reskilling training to reduce youths unemployment rate • Financial assistance such as grants and scholarships 	<ul style="list-style-type: none"> • Schools, universities and other higher-learning institutions • Government training centres (INTAN, training centres under Line Ministries) • Professional development and training (e.g. Skim Latihan Akademik IPTA) • Grants and scholarship to eligible candidate in pursuing post-graduate degree (e.g. MyBrain15)
Accessibility to Affordable and Quality Basic Infrastructure	  	<ul style="list-style-type: none"> • Build affordable housing especially for vulnerable population⁹ • Provides access of basic rural water and sanitation as well as electricity • Improve efficiency of the broadband infrastructure especially in rural areas • Build and/or upgrade basic social amenities such as drainage, multipurpose hall, bus stand/stop and etc. 	<ul style="list-style-type: none"> • Affordable and high-quality homes under PR1MA, People's Housing Programme (PPR), Rumah Mesra Rakyat by SPNB, Malaysia Civil Servants Housing Programme (PPAM)¹⁰ • Rural Water Supply Programme (BALB) • Water Supply and Environmental Sanitation Unit (BAKAS) • Rural Electricity Supply Programme (BELB) • Social Amenities Programme (PAMS)
<p>Employment Generation through Small and Medium Enterprises (SME)</p> <p>Financing and Microfinance</p> <p>Socioeconomic Advancement and Empowerment</p>		<ul style="list-style-type: none"> • Loans or other financial support for SMEs that face financial stress due to socioeconomic crises stemming from the Emergency Declaration¹¹ by the national authorities (i.e.: pandemics, flood, haze etc.) • Supports for export competitiveness through providing funding for (i) export-related training programs and (ii) matching grants which would enhance competitiveness of individual SMEs in global markets 	<ul style="list-style-type: none"> • SME loan schemes to support innovation and entrepreneurship across racial diversity, female empowerment, and gig works/self-employed individuals • Soft loans and grants to SMEs and MSMEs to ease access to financing • Micro credit financings

⁹ B40 - Monthly household income is less than RM4,850 / There are 3 main subgroups under B40 namely: Hardcore poor – less than food Poverty Line Income (“PLI”), RM1,169 / Absolute poor – less than absolute PLI, RM2,208 / Relative poor – less than RM2,940, half of the national median income




¹⁰ <https://www.pr1ma.my/eligibility-homes.html>
<https://www.kpkt.gov.my/index.php/pages/view/458>
<https://www.rurallink.gov.my/program-perumahan-rakyat-termiskin-prpt/>

¹¹ For the purposes of the Sukuk, the declaration of a Emergency Declaration due to wars is excluded as an eligible expenditure



The aforementioned project categories/criteria may provide direct or indirect benefit(s) to one or more of the following target population:

- Low-income households
- Rural communities
- Women
- Children
- Youth
- Elderly
- Person with disabilities
- Indigenous people (Orang Asli in Peninsular Malaysia and Bumiputera Sabah & Sarawak)
- Unemployed
- Students under the age of 21
- Poor households living in urban peripheries
- Small and Medium Enterprises (SMEs)

3.1.2 Eligible Green Expenditures

Eligible Green Project Category	Alignment with SDGs	Eligible Criteria	Example of Projects for GoM
Clean Transportation		<ul style="list-style-type: none"> • Developing clean public transportation systems (electrified public transportation systems) • Procurement of electric or hydrogen¹²-powered vehicles for public transportation • Research and development, and manufacturing of electric vehicles and associated infrastructure such as charging stations 	<ul style="list-style-type: none"> • Electric rail projects (e.g. Klang Valley Double Tracking (KVDT), Gemas-Johor Bahru Double Track, MRT, LRT, ECRL) • Public buses that operate on hydrogen fuel cells • Electric buses for public transportation
Sustainable Management of Natural Resources		<ul style="list-style-type: none"> • Habitat and biodiversity conservation through sustainable management of land use & forestry and protection of coastal & marine environments • Sustainable management of agriculture via implementation of sustainable agriculture techniques and sustainable agricultural production 	<ul style="list-style-type: none"> • Forestry research, plantation and restoration programme • Biodiversity conservation, protection and patrol program • Monitoring, control and surveillance for fisheries, mangrove, wetland, forest cover and national park. Automated weather stations and systems • Implementation of sustainable agriculture techniques may include <ul style="list-style-type: none"> ◦ Remediation and restoration of degraded soil ◦ Minimum or no use of synthetic fertilizer and pesticide ◦ Crop rotation ◦ No-till farming ◦ Precision farming • Sustainable agricultural production may include: <ul style="list-style-type: none"> ◦ Production of organic farming under myOrganic & myGAP
Renewable Energy		<ul style="list-style-type: none"> • Projects related to the development, manufacturing, installation and operation of renewable energy such as solar (onshore) and mini hydro • Solar energy (onshore) projects that integrate energy generation and storage (batteries) 	<ul style="list-style-type: none"> • Green Technology Financial Scheme

¹² Projects related to the production of Hydrogen from non-renewable electricity sources are excluded

Eligible Green Project Category	Alignment with SDGs	Eligible Criteria	Example of Projects for GoM
Green Buildings	 	<ul style="list-style-type: none"> Construction of new government buildings/ facilities that are expected to receive a recognised green building certification such as the U.S. Leadership in Energy and Environmental Design (LEED) with minimum certification of Gold, or any other equivalent local standards, that is an equivalent standard of the above 	<ul style="list-style-type: none"> Construction of Green government buildings

Eligible Expenditures may include disbursements to the projects 3 years prior to the issuance or signing date of the respective SDG Sukuk and for the duration of their life.¹³

¹³ For avoidance of doubt, such expenditure could be related to projects which were kicked off in or after 2016. If the disbursement to such projects fall within the 3 years look back period, it is deemed as Eligible Expenditure

3.1.3 Exclusions

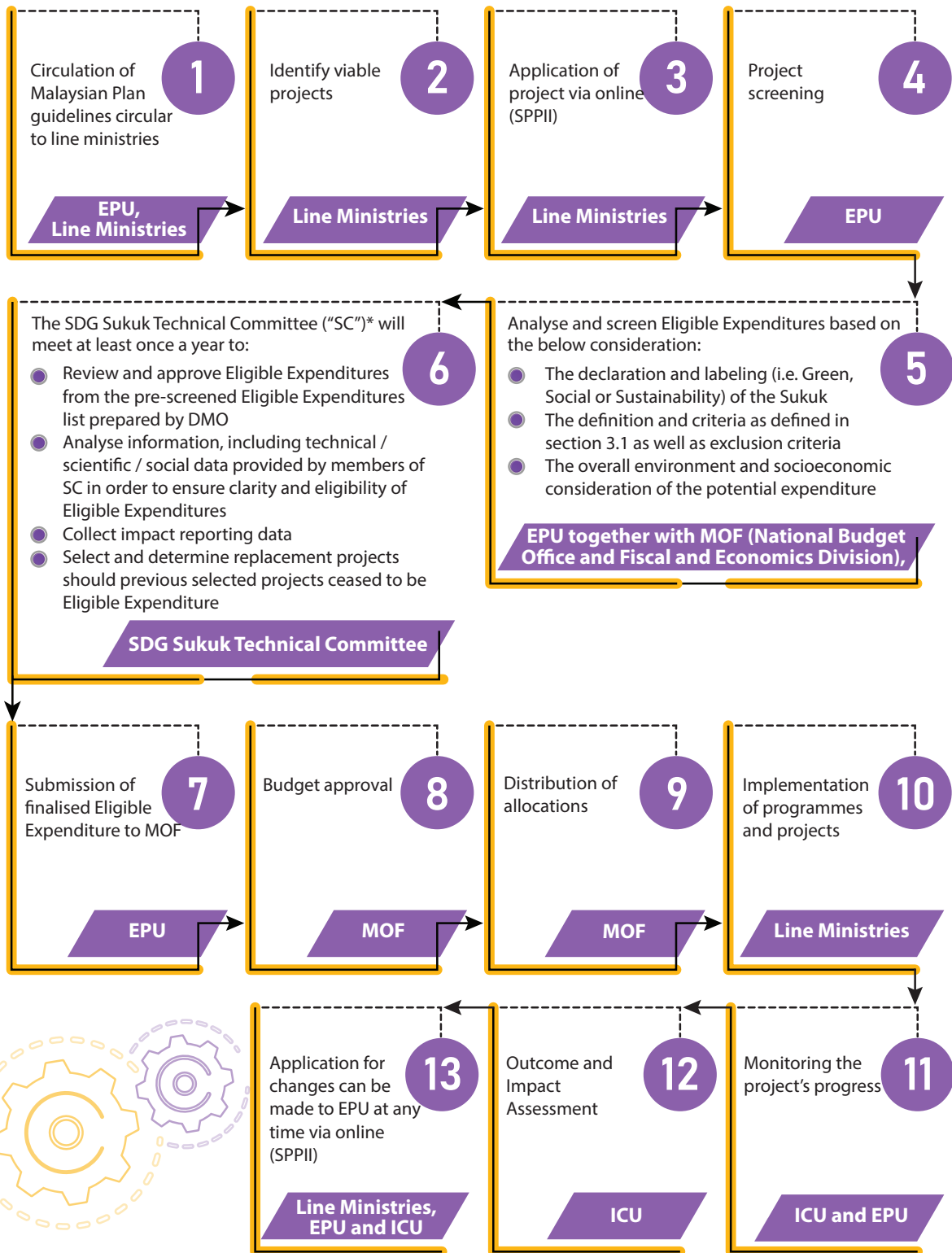
The following industries are excluded from consideration for Eligible Expenditures (“Exclusions”):

- Luxury sectors (precious metals / precious minerals / artworks and antiques wholesale or brokerage);
- Child labor or forced labor;
- Adult entertainment;
- Weapons and military contracting;
- Alcohol;
- Tobacco;
- Fossil-fuel related activities (including extraction, exploration, production, power generation or transport of fossil fuels);
- Nuclear;
- Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans; and
- Large-scale hydro-power projects with a generating capacity of over 25 megawatts.

3.2 Project Evaluation and Selection

The Evaluation and Selection Process ensures that the proceeds from any SDG Sukuk are linked to Eligible Expenditures, in accordance with the definitions and alignment with SDGs as set forth in Section 3.1

The Government of Malaysia (GoM), represented by Ministry of Finance (MoF), will take overall responsibility of overseeing the implementation Framework including reviewing and approve projects / budget allocation / subsidies to be included in the Federal Government Budget.



Source: EPU, Prime Minister's Department. EPU = Economic Planning Unit, ICU = Implementation Coordination Unit, PSD = Public Service Department

*SDG Sukuk Technical Committee ("SC") is made up of senior representatives from: MoF, EPU, Prime Minister Department, Central Bank of Malaysia, Securities Commission and relevant Line Ministries, subject to type of programmes or projects

3.3 Management of Proceeds

The proceeds of each SDG Sukuk issued will be managed in accordance with the Development Funds Act 1966 [Act 406] and can be used both for the financing and/or refinancing of Eligible Expenditures. Pending application, SDG Sukuk proceeds will be held in GoM's Consolidated Loan Account in accordance with the External Loans Act 1963 [Act 403] and subsequently transferred to the Development Fund for development programmes and projects, or for refinancing upcoming maturities with an equivalent amount which will be allocated to eligible projects.

MoF will maintain an SDG Sukuk register ("register") to manage the proceeds allocation of each SDG Sukuk, and make sure that the proceeds are used in accordance with this Framework. The register will contain, for each SDG Sukuk issued, information including:

- a) Details of each SDG Sukuk: ISIN, pricing date, maturity date, etc.
- b) List of Eligible Expenditures, with information including:
 - Summary of projects details;
 - Amount of proceeds allocated to each eligible project;
 - Expected environmental and/or social impacts of Eligible Expenditures;
 - Aggregate amount of proceeds of SDG Sukuk allocated to Eligible Expenditures;
 - Remaining balance of unallocated proceeds;
 - Other necessary information.

The respective ministries utilising the proceeds shall track and monitor and report to MoF, the environmental and social benefits of the Eligible Expenditures in their portfolio which are funded by SDG Sukuk proceeds.

In case of asset divestment or where projects cease to be eligible, MoF will mark the proceeds as "unallocated" until the proceeds are used to finance or refinance other Eligible Expenditures

Temporary allocation for unallocated proceeds will be held as cash & cash equivalents and for refinancing of existing bond maturities.

MoF commits to finish allocation within the current financial year of SDG Sukuk issuance.

3.4 Reporting

MoF will prepare an SDG Sukuk Report (the "Report") annually for each SDG Sukuk issued, initially on the date falling no more than one year after the SDG Sukuk's issuance until maturity of the SDG Sukuks. The Report will include the following information:

3.4.1 Allocation Reporting

Any SDG Sukuk Report will contain at least:

- a) Details of each SDG Sukuk: ISIN, pricing date, maturity date, etc.
- b) List of Eligible Expenditures, with information including:
 - Summary of projects details;
 - Amount of proceeds allocated to each eligible project;
 - Expected environmental and/or social impacts of Eligible Expenditures;
 - Aggregate amount of proceeds of SDG Sukuk allocated to Eligible Expenditures;
 - Remaining balance of unallocated proceeds;
 - Other necessary information.

3.4.2 Impact Reporting

Where possible, MoF, will report on the environmental and social impacts associated with the Eligible Expenditures funded with the net proceeds of the SDG Sukuk.

Subject to the nature of Eligible Expenditures and availability of information, MoF aims to include, but not limited to, the following Impact Indicators:

Eligible Project Category	Indicative Impact Indicators
Accessibility to Quality Healthcare	<ul style="list-style-type: none">• Number of patients reached• Number of hospitals, clinics and health care centres built• Number of women/target population supported• Infant mortality rate• Information availability on the e-health platform• Number of confirmed cases of Covid-19
Accessibility to Quality Education and Training	<ul style="list-style-type: none">• Number of students reached• Number of schools built• Number of women/target population supported

Eligible Project Category	Indicative Impact Indicators
Accessibility to Affordable and Quality Basic Infrastructure	<ul style="list-style-type: none"> • Number of beneficiaries • Share of people with access to water / electricity • Share of people with sanitation facilities
Employment Generation	<ul style="list-style-type: none"> • Number of SMEs supported or funded
Financing and Microfinance	<ul style="list-style-type: none"> • Number of employees of SMEs supported or funded • Number of jobs generated
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> • Number of women/youth//target population supported • Number of beneficiaries reached • Number of equal paying jobs created for women • Number of women work in technology industry
Clean Transportation	<ul style="list-style-type: none"> • Annual GHG emissions reduced/ avoided in tonnes of CO2 equivalent • Air pollutants reduction (PMO / NOx / SOx, in %) • Number of passengers, or passenger-km
Sustainable Management of Natural Resources	<ul style="list-style-type: none"> • Area conserved or protected in m2 • Number and nature of projects that support climate change adaptation / resilience • Number of wildlife species conserved • Average fatality rate of livestock reduced

Eligible Project Category	Indicative Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> • Renewable energy produced in MWh • Renewable energy capacity in MW • Share of renewable energies in final gross energy consumption (%) • Annual GHG emissions reduced/ avoided in tonnes of CO2 equivalent • Annual energy savings in MWh
Green Buildings	<ul style="list-style-type: none"> • Green building certification achieved (system & level) • Annual GHG emissions reduced/ avoided in tonnes of CO2 equivalent • Annual energy savings in MWh • Water consumption reduction in litres • Amount of waste reduced and/or diverted from landfills in tonnes p.a.

The Report will be published on MoF's website: www.mof.gov.my

4. External Review

4.1 Pre-issuance external review

GoM adheres to the highest standard of external reviews as recommended by ICMA, ACMF and market expectation. GoM will engage Sustainalytics, a leading international external reviewer to issue an independent Second Party Opinion (SPO) on the Framework.

The SPO will be made available on MOF website: www.mof.gov.my

4.2 Post-issuance external review






GoM will engage an independent third party to provide assurance on its SDG Sukuk Report(s).

The External review(s) and report(s) will be published on the MoF website: www.mof.gov.my

Appendix 1: Malaysian Policies and Plans Corresponding to the SDGs

GOAL	POLICIES AND PLANS
<p>1 NO POVERTY</p> 	<p>Goal 1 : End poverty in all its forms everywhere</p> <ul style="list-style-type: none"> 11MP Strategic Thrusts 1 and 3 and Game Changer "Uplifting B40 towards a middle class society"
<p>2 ZERO HUNGER</p> 	<p>Goal 2 : End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p> <ul style="list-style-type: none"> 11MP Strategic Thrusts 1, 2 and 6 National Plan of Action for Nutrition of Malaysia III 2016-2025 (NPANM III) National Agrofood Policy (NAP)
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Goal 3 : Ensure healthy lives and promote well-being for all at all ages</p> <ul style="list-style-type: none"> 11MP Strategic Thrust 2 National Strategic Plan for Non-Communicable Diseases 2010-2014 National Strategic Plan for Tobacco Control 2015-2020 National Strategic Plan for Communicable Diseases National Strategic Plan Ending AIDS in Malaysia (NSPEA) 2016-2030 The National Plan of Action for Nutrition of Malaysia III 2016-2025 (NPANM III) National Reproductive Health Education and Social Education (PEKERTI) Policy and Action Plan Health Human Resource Master Plan
<p>4 QUALITY EDUCATION</p> 	<p>Goal 4 : Ensure Inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <ul style="list-style-type: none"> 11MP Strategic Thrust 3 Malaysian Education Blueprint 2013-2025 (MEB) Malaysia Education Blueprint (Higher Education) 2015-2025 National Higher Education Strategic Plan Blueprint on Enculturation of Lifelong Learning for Malaysia 2011-2020
<p>5 GENDER EQUALITY</p> 	<p>Goal 5 : Achieve gender equality and empower all women and girls</p> <ul style="list-style-type: none"> 11MP Strategic Thrusts 1 and 3 and Game Changer "Uplifting B40 towards a middle class society" National Policy of Women 1989 Plan of Action for the Advancement of Women 2010-2015
<p>6 CLEAN WATER AND SANITATION</p> 	<p>Goal 6 : Ensure availability and sustainable management of water and sanitation for all</p> <ul style="list-style-type: none"> 11MP Strategic Thrusts 1, 4 and 5 National Water Resource Policy (NWRP)
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>Goal 7 : Ensure access to affordable, reliable, sustainable, and modern energy for all</p> <ul style="list-style-type: none"> 11MP Strategic Thrusts 4 and 5 National Renewable Energy Policy and Action Plan 2009 National Green Technology Policy 2009 National Energy Efficiency Action Plan 2015

	GOAL	POLICIES AND PLANS
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Goal 8 : Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrusts 3, 4 and 6 and Game Changer “Embarking on Green Growth” and “Unlocking the potential of productivity” • Occupational Safety and Health Master Plan 2016-2020 • SME Master Plan 2012-2020 • Malaysia Productivity Blueprint
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Goal 9 : Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrusts 3, 4, 5 and 6 and Game Changer “Translating innovation to wealth” and “Embarking on Green Growth” • National Policy on Science, Technology and Innovation (NPSTI) 2013-2020 • Strategic information and Communications Technology (ICT) Roadmap
<p>10 REDUCED INEQUALITY</p> 	<p>Goal 10 : Reduce inequality within and among states</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrust 1 • National Policy on Children and its Plan of Action • National Child Protection Policy and its Plan of Action • National Action Plan for Persons with Disabilities 2016-2020 • Minimum Wage Policy
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Goal 11 : Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrusts 1, 2, 4 and 5 and Game Changer “Investing in human settlements inclusive, competitive cities” • National Physical Plan 3 (NPP3) • National Urbanisation Policy 2 (NUP2) • Competitive Cities Master Plans • National Environmental Health Action Plan • National Housing Policy (DRN) 2013-2017 and DNR 2.0 2018-2022 • Road Safety Plan of Malaysia 2014-2020 • National Solid Waste Management Policy
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Goal 12 : Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrusts 4 and 6 and Game Changer “Embarking on Green Growth” • National Ecotourism Plan 2016-2025 • National Policy for Biological Diversity 2016-2025 • National Environmental Health Action Plan (NEHAP) • National Solid Waste Management Policy 2006 • Solid Waste and Public Cleansing Management Corporation Strategic Plan 2014-2020 • Department of National Solid Waste Management Strategic Plan 2016-2020 • Construction Industry Transformation Programme (CITP) 2016-2020

	GOAL	POLICIES AND PLANS
<p>13 CLIMATE ACTION</p> 	<p>Goal 13: Take urgent action to combat climate change and its impact</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrusts 2, 4 and 5 • National Policy on Climate Change 2009 • National Urbanisation Policy 2006-2020 • National Physical Plan 3 • National Green Technology Policy 2009
<p>14 LIFE BELOW WATER</p> 	<p>Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrust 4 and Game Changer "Embarking on Green Growth" • National Plan of Action for the Coral Triangle Initiative (NPOA-CTI) 2009 development • National Policy for Biological Diversity 2016-2025 • National Oil Spill Contingency Plan (NOSCP) • National Coastal Zone Physical Plan • National Ocean Policy 2011-2020 • National Plan of Action to Prevent, Deter and Eliminate IUU Fishing • National Plan of Action for Management of Fishing Capacity in Malaysia 2014-2018
<p>15 LIFE ON LAND</p> 	<p>Goal 15: Protect, restore and promote sustainable use of territorial ecosystem, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrust 4 and Game Changer "Embarking on Green Growth" • National Policy for Biological Diversity 2016-2025 • National Tiger Conservation Action Plans 2008-2020 • Elephant Conservation Action Plans 2073-2022 • National Forestry Policy 1992 • National Action Plan on Peatlands 2011
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>Goal 16: Promote peaceful and inclusive societies for sustainable development</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrust 1 and 2 and Chapter 9 on "Transforming public service for productivity" • National Policy on Children and its Plan of Action • National Child Protection Policy and its Plan of Action • ASEAN Regional Plan of Action on the Elimination of Violence Against Women and Children • Plan of Action on Child Online Protection (PTCOP)
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<ul style="list-style-type: none"> • 11MP Strategic Thrusts 6 • Malaysia's foreign policies and trade policies • AEC Blueprint 2025 • ASEAN Strategic Action Plan for SME Development 2016-2025

Appendix 2: Guideline Circular for GOM's Project Management Cycle

1. Guideline for Planning and Preparation of Development Programmes and Projects (<https://www.epu.gov.my/en/resources/guidelines-and-procedures/guideline-planning-and-preparation-development-programmes-and>);
2. Standards and Cost Committee (<https://www.epu.gov.my/en/resources/guidelines-and-procedures/standards-and-cost-committee>)
3. Implementation Guidelines For The Value Management In The Government Programmes/ Projects (<https://www.epu.gov.my/en/resources/guidelines-and-procedures/implementation-guidelines-value-management-government>)
4. Guidelines on Public Private Partnership (PPP) (General)
5. Environmental Quality Act 1974 (Section 34A);
6. PB1.3 – Garis Panduan bagi Penyediaan Cadangan Anggaran Perbelanjaan Persekutuan Tahunan (<https://ppp.treasury.gov.my/>)
7. Pelaksanaan Industrialised Building System (IBS) dalam Projek Kerajaan (1PP: PK1);
8. Perolehan Perkhidmatan Perunding (1PP: PK3.1);
9. Manual Perolehan Perkhidmatan Perunding Edisi 2011 (Pindaan Kedua) – (1PP: PK3.2);
10. Pekeliling PTP Bil.3/2008: Fungsi Pesuruhjaya Tanah Persekutuan, Peranan Kementerian/ Jabatan Pengguna dalam Perolehan Tanah untuk Kegunaan Kerajaan Persekutuan dan Pengurusan Tanah-tanah Persekutuan Selepas Perolehan
11. (<https://www.icu.gov.my/pdf/pk/pkut/Pekeliling%20PTP%20Bil%203%20Tahun%202008.pdf>);

