



## FOREST CARBON OFFSET TECHNICAL WORKING GROUP

### TERMS OF REFERENCE

<b>Introduction</b>	<p>These Terms of Reference define the roles and responsibilities of the Technical Working Group for Forest Carbon Offset guidelines.</p>
<b>Background</b>	<p>The Ministry of Natural Resources and Environmental Sustainability has concluded the feasibility study of Forest Carbon Offset (FCO) in Malaysia, which is the market-based instrument under the REDD Plus Financial Framework. The study outlined the need to develop a domestic crediting system that meets higher integrity levels and taking into consideration national's circumstances, particularly pertaining to Federal and State matters.</p> <p>Malaysia Forest Fund (MFF) is tasked to spearhead this endeavour, and once completed, to operationalize it as Malaysia's very own carbon standard for nature-based solutions activities. Hence, we are scheduling consultation sessions through FCO Technical Working Group (TWG).</p>
<b>Objective</b>	<p>This TWG will serve as a strategic and technical resource to support the initial draft review and continuous development of guidelines on FCO including framing its modalities and technical requirements. The TWG will comprise of experts and policymakers from Federal and State Departments and Agencies, private sector, civil societies, non-governmental organizations and academia.</p> <p>As part of our commitment to safeguarding the process, we seek to ensure the inclusion of key stakeholders and we invite qualified experts to represent a range of experiences, expertise, geographies, stakeholder interests, identities, and sectors.</p>
<b>Member Composition</b>	<p>TWG member should meet <b>more than one</b> of the following criteria:</p> <ol style="list-style-type: none"><li>a. Strong understanding on government policies and regulations at national/state level;</li></ol>

	<ul style="list-style-type: none"> <li>b. Strong understanding of carbon market dynamics from the demand perspective, including drivers for buyer engagement in voluntary and compliance markets;</li> <li>c. Expertise in monitoring, reporting, and verification of projects' sustainable development benefits aligned with the TWGs;</li> <li>d. Experience in strategic communications in the carbon market, environmental, social, or other relevant sectors;</li> <li>e. Knowledge of a variety of carbon or other credit-generating, market-based standards;</li> <li>f. Experience and understanding of carbon project implementation; and</li> <li>g. Understanding of carbon crediting system and certification programs, including the role of auditors.</li> </ul>
<b>Commitment and Responsibilities</b>	<p>Participation in the TWG is expected to run at least through 2024 and 2025, with the possibility of extension. TWG member must be able to commit to the following:</p> <ul style="list-style-type: none"> <li>a. Actively participating in every meeting;</li> <li>b. Review, evaluate and deliberate the initial draft of FCO rules/regulations/guidelines, protocols and registry; and</li> <li>c. Provide feedback and suggestions to the improvement of FCO guidelines through the secretariat.</li> </ul>
<b>Scope of Elements</b>	<p>The implementation of any feedback from TWG is subject to review by the RFFAC and final approval by the MFF Board of Trustees. The TWG will provide recommendations including but not limited to the following:</p> <ul style="list-style-type: none"> <li>a. Support the initial draft review and provide feedback on the ongoing development of guidelines for FCO;</li> <li>b. Assist in reviewing the modalities and technical requirements for the FCO guidelines;</li> <li>c. Review alignment of the FCO guidelines to existing policies, regulations and frameworks at both national and state levels;</li> <li>d. Review FCO guidelines in respect of advancements or changes in framework guidelines provided by the UNFCCC including but not limited to, the Paris Agreement and Warsaw REDD Plus Framework;</li> <li>e. Review alignment of FCO guidelines against Sustainable Development Goals (SDGs) and other relevant reference frameworks; and</li> <li>f. Assessment of FCO guidelines against requirements in the environmental markets including carbon market.</li> </ul>
<b>Duration</b>	<p>These Terms of Reference shall enter into force on the date of its signing for a period of two (2) years.</p>

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**Operation of the TWG**

TWG will focus solely on providing advice and recommendations for the development of FCO guidelines. MFF will handle all logistical aspects of TWG's operation, including meeting arrangements, documentation, communication, and meeting packages.

The TWG will convene as and when required. Meetings will be scheduled by the secretariat and members will be notified accordingly to discuss progress, review drafts of guidelines, and provide feedback. The TWG will operate in dual language: Bahasa Melayu and English.

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**Confidentiality**

1. Any information obtained and during the term of these Terms of Reference shall be treated as confidential (hereinafter referred to as "Confidential Information"). Unless with a prior written consent from the MFF, TWG member acknowledges that any Confidential Information furnished hereunder is confidential and undertakes to:

- a. keep the Confidential Information secret, private and in strict confidence
- b. not by any means whatsoever disclose, publish, deliver, copy, distribute, transfer or allow access to any part of the Confidential Information to any third party without the prior written consent from the MFF; and
- c. make only such copies of documents or any other material embodying any of the Confidential Information as are strictly necessary pursuant to these Terms of Reference; and
- d. use all due care to protect Confidential Information against theft, data leak, unauthorized access, or use by any third party; and
- e. only use the Confidential Information strictly for the purposes of considering the Objective of these Terms of Reference.

2. Notwithstanding the expiry of these Terms of Reference or any other clause in these Terms of Reference, this confidentiality clause shall remain in effect unless with a written consent from the MFF.

3. At any time during or after the term of these Terms of Reference, upon any written request of the MFF, TWG member shall, at his own expense:

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- a. promptly surrender to the MFF all originals and destroy or expunge all copies of any and all Confidential Information which may be in its possession, whether the MFF makes express demand for them or not; or
  - b. certify in writing to the MFF that, to the best of its knowledge, all originals and copies of any Confidential Information which were used or possessed by TWG member have been returned, destroyed or expunged (as applicable) to the MFF, and shall also promptly return to the MFF any other original Confidential Information or destroy or expunge any other copies of Confidential Information, which might subsequently turn up in its control or possession, without further request by the MFF, in each case subject to any obligation to maintain backups or records or retain information imposed on the TWG member by any law or competent regulatory body.
4. Without prejudice to any other rights and remedies otherwise available, TWG member agrees that the MFF shall be entitled to seek injunctive and other equitable relief to prevent or mitigate the consequences of unauthorized disclosure of Confidential Information and the TWG member shall not oppose such application.
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