



PRESS STATEMENT

TITLE: LAUNCH OF THE INCLUSIVE GREEN FINANCE POLICY IN PAPUA NEW GUINEA

Theme: PATHWAY TO A GREENER ECONOMY FOR A RESILIENT FUTURE

Thursday 08th June, 2023 : Hilton Hotel, Port Moresby

The Inclusive Green Finance Policy was officially launched today at the Hilton Hotel in Port Moresby, Papua New Guinea. The ceremony was presided over by the Rt. Honorable Prime Minister of Papua New Guinea, James Marape, who expressed his honor in inaugurating this significant policy. The Prime Minister encouraged government departments, state-owned enterprises, financial institutions, and MSMEs to collaborate and utilize this policy as a foundation for building a green business economy.

In his address, the Prime Minister stated, "Today, we celebrate the establishment of the Green Finance Policy by the Bank of PNG, which I believe is the first of many steps toward transitioning Papua New Guinea from a high-carbon economy to a sustainable and blue economy."

Mr. Marape emphasized the policy's importance in addressing climate change and how it will benefit the people of Papua New Guinea. He stressed the need to develop the country's economy in a smarter and climate-resilient manner, fostering low-carbon, inclusive green growth.

"While we are currently on a high-carbon development trajectory, which has proven beneficial for our economy and supporting our rapidly growing population, we must acknowledge that the detrimental effects of climate change are accelerating. This necessitates a shorter timeframe for us to enjoy the benefits of our current pathway," said the Prime Minister.

The Prime Minister expressed gratitude to the Bank of Papua New Guinea, the Global Green Growth Institution (GGGI), the New Zealand Highland Commission, financial institutions, and other technical and development partners for their collaboration in designing and developing the Inclusive Green Finance Policy.

"I am delighted to announce that this policy is being unveiled alongside the Bank of PNG's own Financial Inclusion Strategy, introduced in April this year. This visionary product represents a long-term commitment to Papua New Guinea," he added.

The Prime Minister commended the Green Taxonomy, a unique feature of this policy, which is the first of its kind in the Pacific and Papua New Guinea. He congratulated the Acting Governor of the Bank of PNG and the development partners for their contribution to establishing this crucial tool and service for the benefit of the people.

"The Inclusive Green Finance Policy serves as a reminder for all of us to conduct our business in an environmentally conscious manner. By offsetting our global and PNG carbon footprints and participating in the conservation of PNG's tropical rainforest and mangroves, we can mitigate the impacts of climate change," emphasized the Prime Minister.

Ms. Elizabeth Genia, Acting Governor of the Bank of Papua New Guinea, underscored the significance of embracing green finance and adopting a proactive approach to address environmental risks and invest in projects that promote long-term sustainability.

The Acting Governor emphasized the responsibility of financial institutions to integrate environmental and social factors into their investment decision-making processes. She encouraged the development of innovative financial products, such as green bonds and sustainability-linked loans, to facilitate green investments.

"To support financial institutions in this important journey, the Bank of PNG, in collaboration with its partners, will establish a Green Finance Center at the CEFI office. The center will provide necessary support, including staff training, technical assistance, and the design of innovative green lending products," stated Mrs. Genia.

Mr. George Awap, Assistant Governor of the Financial System Stability Group at the Bank of PNG and Chairman of the Inclusive Green Finance Steering Committee highlighted the policy's development and the discussions surrounding the impact of climate change on economics.

Mr. Awap provided a brief overview of the journey toward implementing the Inclusive Green Finance Policy in Papua New Guinea. He mentioned that the Bank of PNG engaged the Global Green Growth Institution (GGGI) through a bidding process, and the Agriculture for Finance (AFC) was involved in developing the concept note, funded by the New Zealand Government.

He further explained that a steering committee, chaired by the Bank of PNG and consisting of representatives from the Office of Climate Change, Department of Treasury, Alliance for Financial Inclusion, NZHC, and GGGI as observers, worked collaboratively to develop the Inclusive Green Finance Taxonomy Policy.

"Inclusive Green Finance is a new concept in the region, requiring extensive collaboration between the Bank of PNG, domestic financial institutions, various ministries, and stakeholders," concluded Mr. Awap.

The launch of the Inclusive Green Finance Policy marks a significant milestone for Papua New Guinea, demonstrating its commitment to building a sustainable and environmentally friendly economy and fulfilling the international commitments to the Alliance for Financial Inclusion under the El Sheikh Accord. Through collective efforts, the government and financial institutions aim to steer the country towards a low-carbon, inclusive green growth pathway and address the challenges posed by climate change.

Partners:



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Ends.