

Sustainable
Climate Transition
through Strategic
Investments

PERSPECTIVES FROM
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AND BEYOND

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Role of CCDA

CCDA has the central policy and regulatory function – bringing partners together for development of key documents:

- ▶ **Global reporting** - NDC, National Communications, NAPA)
- ▶ **Domestic policies** – Climate Change Development Policy, National REDD+ Strategy
- ▶ **Legislation, regulations and guidance:**
 - ▶ Climate change management Act (amended)
 - ▶ Carbon Market Regulations (2024)
 - ▶ REDD+ Development



PNG CONTEXT

- Reporting the Stats

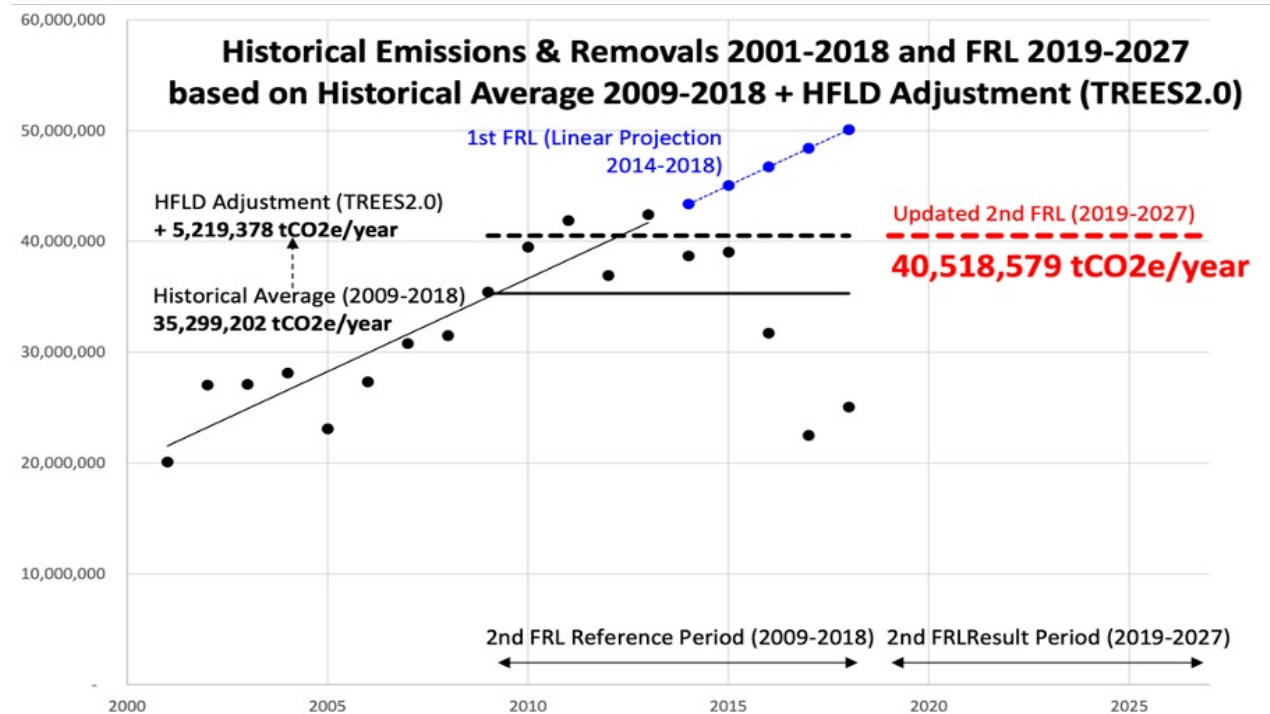
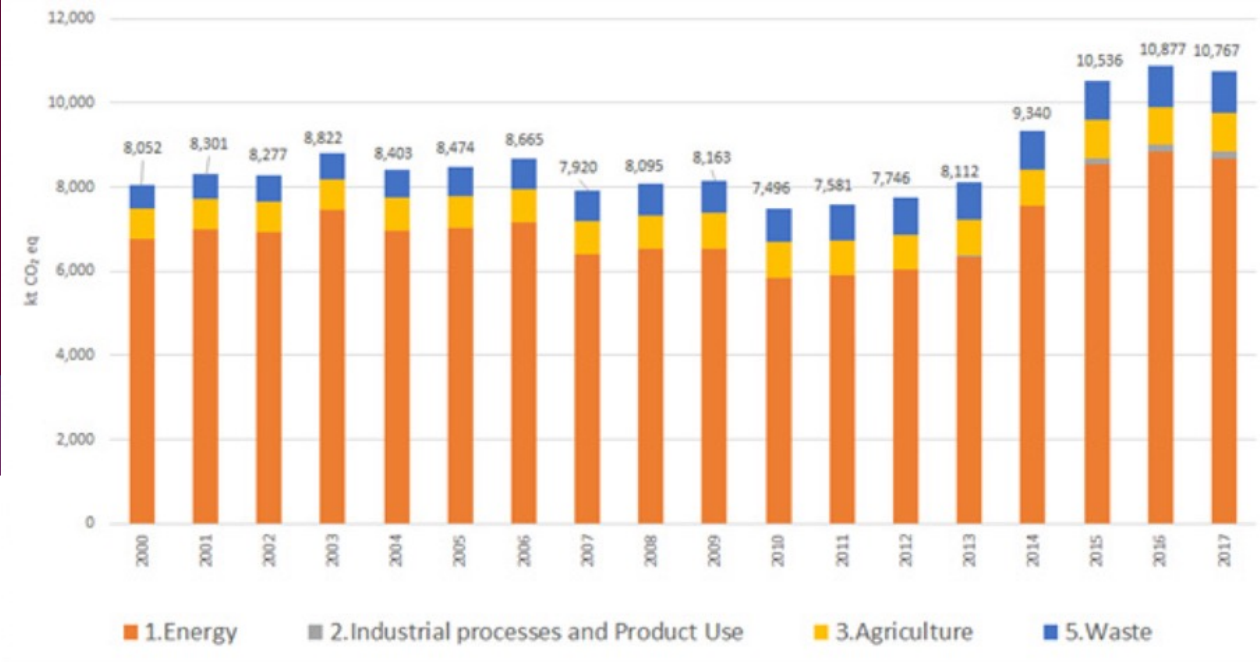
Climate change poses unprecedented risks to the all sectors including resource, mining and financial sector, from more frequent extreme weather events to the transition toward a low-carbon economy

Requiring institutions to adapt or face legal, reputational, and financial consequences



Reporting Stats

- Low emissions – estimated to be 144th in the world, for GHG emissions or 194th based on emissions per capita
- Reported net zero status to UNFCCC
- Large portion of emissions from energy sector – 9mtCO₂e
- Forests also play a critical role both generating and offsetting emissions (historically)



Overarching Climate Plans, Policies and Legislative Framework

PNG is one of 52 nations with Net Zero commitments within policy

NDC targets in place focused on forestry and energy sector

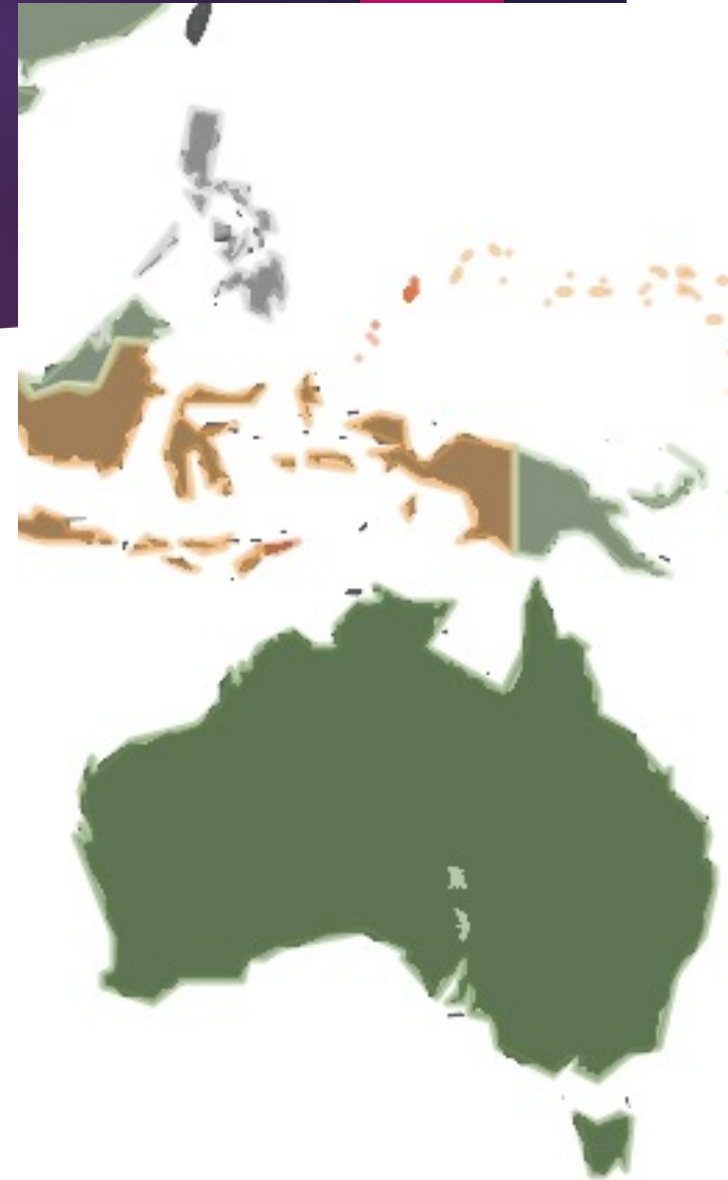
- 70% renewable power
- 25% reduction in deforestation and forest degradation

National Adaptation Plan

- 4 Sectors (Health, Infrastructure, Agriculture and Transport)

Climate Change Management Act 2015 and its Amendments

- Integration across sectors(9)



What are we doing?

Working to establish more detailed framework of policy and legislative tools and international partnerships:

- ▶ Reporting and data management requirements – **NDC Regulations 2021**
- ▶ **Carbon Market Regulations 2024** - International partnerships – e.g.
 - ▶ Singapore Implementation Agreement, (SDM Arrangements, Energy Transition, Renewable Energy Options)
 - ▶ Japan MoU on Joint Crediting mechanism (Reforestation and Afforestation, Land Use Management and Energy Transition)

Financing Structures:

- ▶ Green Fees
- ▶ Carbon market based fees and taxes
- ▶ Carbon levy on fuels
- ▶ Nitrogen levy on fertilizers

What we are doing – cont

Non-Tax Revenue

Projected Revenue 2025		
REVENUE ACTIVITY	POTENTIAL (PGK)	REVENUE
Green Fee	16,500,000	
VCM Permit Fee	600,000	
CDM/SDM Permit Fee	17,500	
7% CCDA Admin Fee	12,438,105	
VCM and SDM Application Fee	100,000	
Projected Revenue for 2024	29,655,605	

Tax Revenue

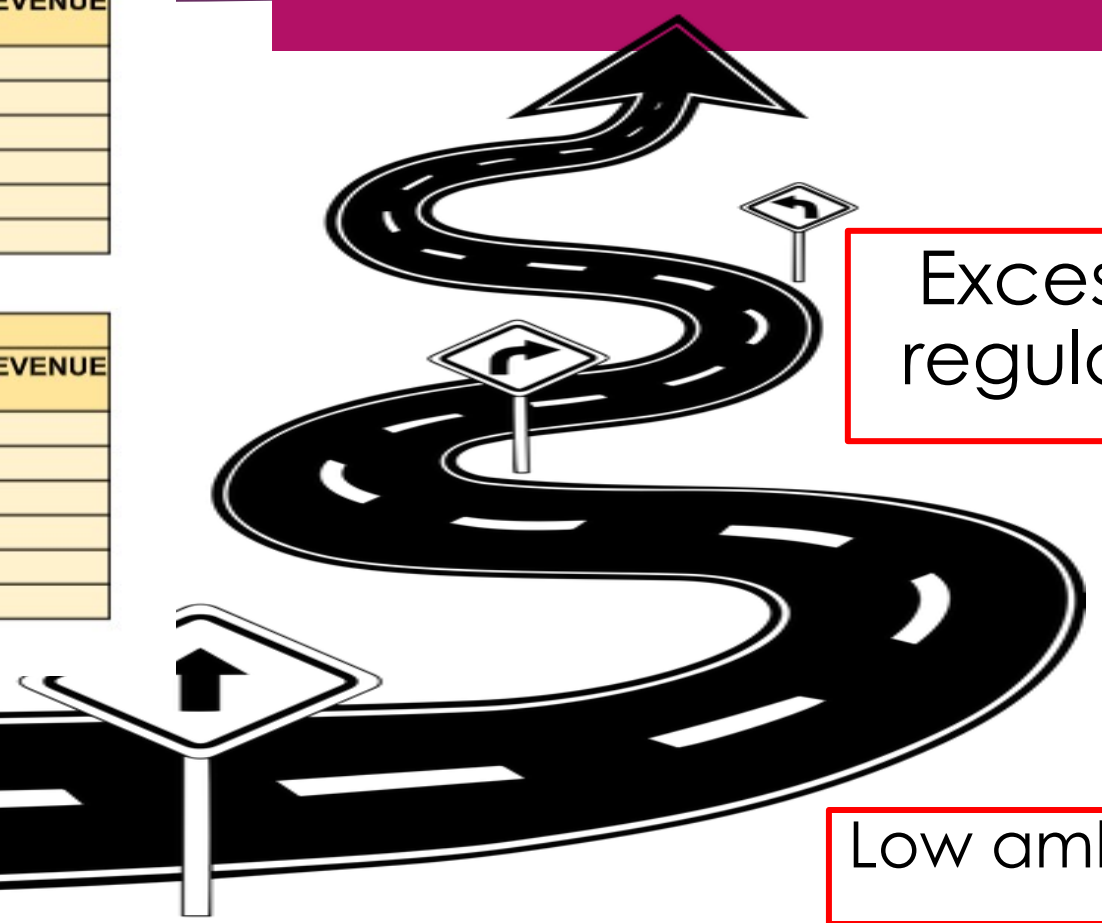
Projected Revenue 2025		
REVENUE ACTIVITY	POTENTIAL (PGK)	REVENUE
Carbon Levy	30,823,926	
Nitrogen Levy	11,456,231	
Total	42,280,157	
Projected Revenue for 2025	71,935,762	

The NTR submission report will be attached for your reference

Low emission sustainable development

Excessive regulation

Low ambition



Inclusive Green Finance Project: Target Impact & Outcomes

Develop and integrate Inclusive Green Finance Policy onto the FI's lending operations and create financial eco-system for financial inclusion, green growth in investment activities, economic diversification and increased green jobs

Inclusive Green Finance Project:

Key Outcome: Green Finance Center

Target Impact & Outcomes

Develop and integrate Inclusive Green Finance Policy onto the FI's lending operations and create financial eco-system for financial inclusion, green growth in investment activities, economic diversification and increased green jobs

Climate transitions

Engaging in a global climate transition critical for countries and companies

- ▶ Commitment for nations under the Paris Agreement
- ▶ Corporate reporting becoming increasingly detailed and aligned to global targets:
 - ▶ Australia's Corporate climate reporting (ASRS),
 - ▶ EU's Corporate Sustainability reporting and Boarder Adjustment MechanismGlobal companies in transition
- ▶ Remains disconnect between awareness and action –
 - ▶ 81 nations have a net zero target but only 20 have a detailed plan
 - ▶ Of world's 2,000 largest companies 47% have a target – just 3% have a detailed plan

Source netzero tracker

What next – Greening Investment

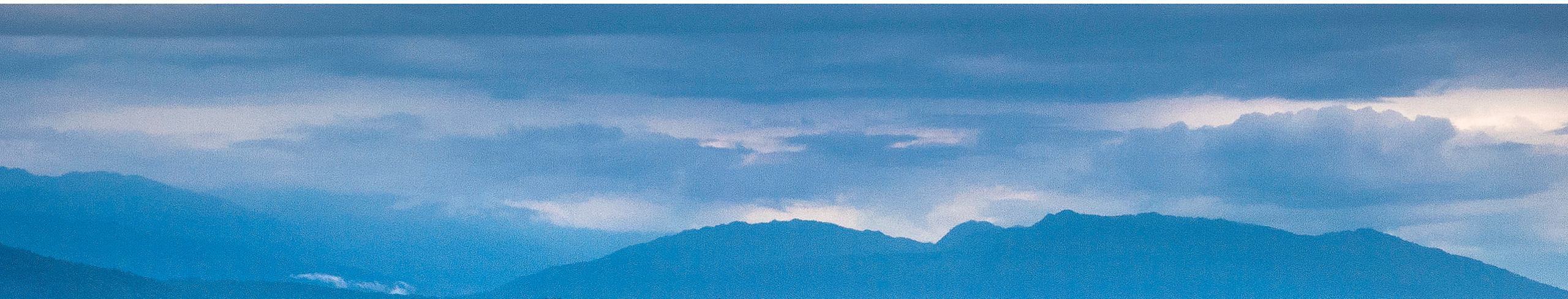
- ▶ Want to work with industry to establish reporting and data management frameworks and set targets:
 - ▶ **Alignment of domestic and international reporting** requirements - and streamline reporting needs for companies
 - ▶ **Establish key targets for emissions reductions and climate action** – linked to key policy tools – taxes, levies and offset
 - ▶ **Support development of PNG as a ‘green hub’** – delivery global products while sustaining biodiversity, delivering sustainable livelihoods and supporting climate action

What is the opportunity? Green Hub

- High level of renewable energy with potential for expansion
- Bountiful natural resources with potential to offset unavoidable emissions
- Potential for high levels of co-benefits



PNG Carbon
Neutral Exports –
high co-benefits
and reduced
climate risk



Collaboration = Outcomes

- ▶ **Partnership** – work with us on developing this transition – aligned reporting, target setting
- ▶ **Investment** – support to long term investment strategies – align company strategies with PNG needs and risks
- ▶ **Reinforce the framework** – use of innovative and improved financing frameworks to help drive high quality green investments



End ---- Thank you