

TALKING POINTS FOR THE MINISTER OF ENERGY

It is a great honour for me to join you this morning at the Green Finance Conference. This conference is very important for Malawi as it opens up new avenues for financing development. We hear about the huge opportunities that exist in the space of green finance but we have not come to realize the huge potential that exist.

The Chinese philosopher Lao Tzu said; “A journey of a thousand miles begins with a single step.” He wasn’t wrong because, you won’t get anywhere unless you start the journey. One can journey alone or with others.

1. Why is it important for the Government of Malawi through the Ministry of Finance to address climate change?

The Chinese philosopher Lao Tzu said; “A journey of a thousand miles begins with a single step.” He wasn’t wrong because, you won’t get anywhere unless you start the journey. One can journey alone or with others.

Climate Change is a development issue that needs to be dealt with holistically. Climate change affects the budget negatively in the sense that Ministry of Finance has to come in with budgetary resources to implement mitigation and response mechanism

designed to minimize negative effects of climate change. Apart from budgetary allocation, climate change affect growth prospects either through drought induced shocks or flooding as has been the case with Cyclone Idai, Gombe, Ana and recently Freddy.

2. What policy and regulatory environment has been put in place to enable Financial Institutions grow their lending to Green SMEs in Malawi taking into consideration that Green Financing is not the usual Financing?

Through the 2023/24 budget, Government announced a special package to promote development of the Carbon markets. We have introduced special incentives for financial institutions supporting green project.

3. What is the role of the private sector in attaining sustainable growth in Malawi?

Private sector is the source financing and technical know-how that has the potential to generate green jobs. For example, private sector is playing an important role in clean energy development where we have recently seen a number of investors in Solar Energy, hydropower generation and wind power.

4. Are there any current or upcoming bilateral funding or partnership that the Government through your Ministry has undertaken or is in the process of undertaking?

With regard to green financing, most of the funding opportunities available for Malawi are from multilateral institutions such as the Green Climate Fund (GCF), Adaptation Fund, World Bank, African Development Fund. Most of these partners are funding various green projects in Malawi.

5. How does the finance sector fit in when it comes to implementing the policies set by the government?

It is an important source of financing in as far as domestic financing for the national budget is concerned. Recently the local financing sector has been very supportive of various development projects through the Local currency bond where they are financing projects in Water, energy and transportation.