

## KERATAN AKHBAR

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### Rafizi: Govt plans to create energy transition financing mechanism with financial sector



Economy Minister Rafizi Ramli said to complement the National Energy Transition Roadmap (NETR) initiatives, there is a need to create an overall ecosystem where the industry can contribute towards realising green projects, not necessarily only related to solar or hydrogen projects. — Picture by Choo Choy May

SUBANG JAYA, Nov 14 — The government is planning to collaborate with the financial sector to create an energy transition financing mechanism for companies to participate in green projects, said Minister of Economy Rafizi Ramli.

He said to complement the National Energy Transition Roadmap (NETR) initiatives, there is a need to create an overall ecosystem where the industry can contribute towards realising green projects, not necessarily only related to solar or hydrogen projects.

"We are looking at working with the banking and financial industry to develop another set or stream of financing which we will call transition financing.

"As we talk about energy transition, there are many sectors, industries or even projects that may not qualify for green funding. For example, if you bring equipment to increase energy efficiency, by definition, that is not a green project," he told the media after delivering his keynote address at the Asian Strategy and Leadership Institute (ASLI) Banking and Finance Summit 2023 here today.

The event was jointly organised by ASLI, the United Nations Sustainable Development Solutions Network and Sunway University.

Rafizi noted that through the NETR, the government has allocated RM2 billion in financing for energy transition projects, and his ministry will work with financial institutions to see how much can be allocated for the new mechanism.

"I hope that will open up the channels for the government to work with the banking and financial sectors to expand what already is a good system for green financing and to also include transition financing, which is far bigger than the understanding of green financing that exists in our financial market now.

"That is where the existing approach and perspective about green financing and sustainability financing has to be expanded to include transitioning financing," he added.

Rafizi said he believes that the initiative would be reciprocated and complemented by the banks and the financial industry so that the new financing for energy transition could be rolled out soon. — Bernama