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THE PORT MORESBY COMPACT ON INCLUSIVE GREEN FINANCE

FROM COMMITMENT TO IMPLEMENTATION

The Maya Declaration
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I. INTRODUCTION

Climate change is increasingly undermining economic stability, livelihoods, and development, with disproportionate impacts on low-income populations, MSMEs, women, and climatevulnerable communities in emerging and developing economies.

These impacts are no longer only environmental or humanitarian; they pose material risks to financial stability and inclusive growth.

Inclusive Green Finance (IGF) has become an important policy priority for central banks and financial regulators from emerging markets and developing economies (EMDEs), particularly those most exposed to climate risks. By expanding access to savings, credit, insurance, and payment systems that support climate adaptation, resilience, and low-carbon development, IGF enables households and MSMEs to manage climate risks, invest in greener livelihoods, and participate in a just transition.

Since the adoption of the Sharm El-Sheikh Accord on Inclusive Green Finance in 2017 and its renewal in 2022, members of the Alliance for Financial Inclusion (AFI), central banks and financial regulators from EMDEs, have continued to lead in advancing IGF as a policy and implementation agenda grounded in national realities. Since then:

- **46 IGF policy changes** have been reported by AFI members, with a range of policies, regulatory measures, supervisory approaches.
- National initiatives being enacted across **22 countries** in the AFI network.
- The IGF Working Group (IGFWG) now has **71 AFI member institutions** and serves as AFI's technical platform for policy guidance, peer learning, and knowledge exchange on IGF policy development and implementation.

This work shows that policies, regulatory measures, supervisory approaches, and national initiatives can play a central role in ensuring that climate finance reaches the real economy and in expanding access to financial services that enable climate resilience.

In the current global context, leadership is more critical than ever. AFI members, particularly central banks and financial regulators, remain strongly committed to advancing IGF, driven by their direct exposure to climate risks, development imperatives, and financial stability concerns. At the same time, global green finance discourse, standards, and resources remain insufficiently aligned with the needs and capacities of EMDEs. Climate finance is still not reaching countries, communities, and MSMEs at the scale, speed, or affordability required to enhance resilience and adaptation. Increasing complexity risks excluding those most exposed to climate risks.

Despite significant progress in developing IGF policies and frameworks, implementation remains uneven. Many regulators continue to face challenges in translating policy ambition into practical action, including limited institutional capacity, data constraints, fragmented stakeholder coordination, and insufficient access to financing and risk-sharing mechanisms.

The Port Moresby Compact on IGF is a collective call to action, led by regulators in EMDEs and supported by like-minded partners, for the wider financial ecosystem to align behind implementation that advances climate ambition, financial inclusion, and financial stability together, regardless of shifting global political currents. Through this Compact, AFI members reaffirm their commitment to advancing Inclusive Green Finance as a core component of financial inclusion, climate resilience, and sustainable development, and to working collectively to accelerate implementation and impact.

This Port Moresby Compact on IGF builds on the work done by AFI members and partners since the adoption of the Sharm El Sheikh Accord and responds to the current challenges in translating IGF from policy to practice. It represents a collective shift from principles to implementation and from global ambition to locally led solutions.

Sharm El Sheikh Accord on Inclusive Green Finance

Learn more here

II. PURPOSE OF THE COMPACT

The Port Moresby Compact on IGF is an implementation-focused partnership framework, adopted by AFI members and other organizations working to implement IGF, to:

- Reaffirm collective policy leadership on IGF
- Identify shared priorities and actions for accelerating implementation
- Align technical and financial support behind regulator-defined needs
- Provide a foundation for subsequent, more specific commitments and agreements

The Compact is voluntary, non-binding, with a light-touch implementation tracking and reporting framework. It is country-led, respecting national mandates and diverse starting points.

IGF operates at the intersection of financial inclusion, climate mitigation and adaptation, and sustainable development. The Compact focuses particularly on enabling households, MSMEs, and climate-vulnerable communities to access financial services that support adaptation, resilience, and low-carbon economic opportunities.

The Compact complements broader national and international climate finance frameworks, including national climate and development strategies, Nationally Determined Contributions, adaptation plans, and wider sustainable finance initiatives. It seeks to strengthen the inclusion and effectiveness of climate finance delivery at the local and real-economy level.

III. GUIDING PRINCIPLES

Implementation under this Compact is guided by the following principles:

1. **Policy leadership and national collaboration**
IGF implementation is anchored in national leadership and supported by collaboration between central banks, financial regulators, relevant public institutions, financial sector actors, development partners, academia, and other stakeholders.

2. **Implementation over complexity**
Practical, proportionate, and phased approaches are prioritised over overly complex or compliance-heavy frameworks.

3. **Inclusion at the core**
IGF explicitly serves low-income populations, MSMEs, women, and climate-vulnerable groups, ensuring the green transition does not deepen exclusion.

4. **Partnership and alignment**
Development partners and funders work in partnership with regulators to align financial and technical support with priorities identified under this Compact. Global standard-setting bodies engage constructively with regulators to ensure that international standards remain inclusive, proportionate, and responsive to diverse country contexts.

IV. SHARED PRIORITY AREAS FOR ACTION

To address these implementation challenges and accelerate delivery of Inclusive Green Finance, endorsing institutions commit to advancing the following shared priority areas:

1. Embedding IGF into National Policy, Regulatory and Supervisory Frameworks

This priority includes integrating IGF into national financial inclusion strategies and related policy instruments and integrating an inclusion angle into national green finance strategies, taxonomies and related policies. This also entails aligning climate, inclusion, and financial stability objectives and ensuring that supervisory approaches appropriately reflect climate-related risks and opportunities.

Action under this area emphasizes proportionality, sequencing, and national ownership, recognizing different institutional mandates and capacities. It supports the development of clear, phased implementation pathways that enable policymakers and regulators to move from policy intent to measurable outcomes, while remaining grounded in local economic and climate realities.

2. Enabling Financial Institutions to Deliver IGF at Scale

This priority focuses on translating policy frameworks into action by financial institutions, where appropriate, supported by national regulators and policymakers. It focuses on creating enabling policy, regulatory, supervisory, and market conditions that enable banks and other financial service providers to extend green and climate-resilient financial services to households and MSMEs.

Key elements include incentives, refinancing facilities, and risk-sharing mechanisms to reduce perceived and real risks, support innovation, and crowd in private capital. This area recognizes the importance of dialogue between the regulators and financial institutions as well as clarity of regulatory expectations to ensure that IGF activities are viable for financial institutions while having sound risk management and financial stability. Implementation should remain proportionate to the size, complexity, and capacity of different financial institutions.

3. Enabling Impact for Households and Small Businesses

This priority attempts to ensure that IGF delivers tangible benefits to those most exposed to climate risks. It focuses on understanding demand, addressing barriers to access, and ensuring that financial services are appropriate, affordable, and trusted.

Actions include strengthening demand-side data and feedback from intended beneficiaries to inform policy design, promoting financial literacy and awareness of green financial products, leveraging digital financial services to extend reach, and ensuring robust consumer protection frameworks for green products. Attention is given to MSMEs, women, youth and climate-vulnerable communities to prevent exclusion in the green transition.

4. Promoting Proportionality and Accessibility in Global Frameworks

This priority addresses the interaction between national IGF implementation and global sustainability standards and disclosure requirements. It seeks to ensure that global approaches support, rather than constrain, inclusive finance in EMDEs through knowledge exchange and dialogue, promoting proportionality and inclusivity.

5. Strengthening Data, Taxonomies, and Impact Measurement

This priority focuses on strengthening regulators' and financial sector actors' ability to identify, monitor, and respond to climate-related risks and opportunities, particularly for vulnerable populations, MSMEs, women, youth, and climate-exposed sectors. Effective implementation of IGF requires stronger data ecosystems, practical taxonomies, and proportionate approaches to measuring climate risks and impact.

The focus is on developing practical and inclusive approaches to data collection, inclusive green taxonomies, climate risk measurement, and impact tracking that are proportionate to national contexts and institutional capacities. This includes promoting interoperable and accessible data solutions, strengthening institutional capacity for climate-related supervision and reporting, and leveraging existing AFI knowledge products and country experiences to support implementation.

6. Mobilizing Resources for IGF Implementation

This priority responds directly to the financing and risk-sharing constraints consistently identified by AFI members as barriers to implementation. Access to affordable and predictable financing remains a cross-cutting requirement for effective implementation across all priority areas of the Compact. Limited access to affordable and predictable financing remains a key bottleneck to translating ambition into implementation.

There is a financing need to enable action on the ground, particularly for vulnerable households, MSMEs, and climate-exposed sectors. These include concessional and blended finance, de-risking instruments such as guarantees and first-loss mechanisms, climate and disaster-risk insurance, and sustained support for regulatory capacity building and technical assistance. They may also include project preparation support, technical assistance facilities, pipeline development, provider capacity building, and other mechanisms that strengthen delivery channels and implementation of readiness.

By clearly articulating these needs, the Compact provides a structured basis for partners to align financial and technical support with regulator-defined priorities. Resource mobilization under the Compact should support practical implementation, institutional capacity building, and scalable country-level initiatives that demonstrate impact on the ground.

V. CONCLUSION

The Port Moresby Compact on IGF affirms that inclusive finance, climate resilience, and financial stability must advance together.

It positions regulators from emerging and developing economies at the center of the global IGF agenda and provides a practical framework for aligning partners behind implementation.

The Compact responds to a clear implementation challenge: while policy ambition continues to grow, progress on the ground requires stronger partnerships, greater access to financing, improved data and measurement, and practical pathways for delivery.

Endorsed collectively and operationalized through the Implementation Platform, the Compact represents a decisive step toward making Inclusive Green Finance a reality for those most affected by climate change.