

Intesa Sanpaolo Excludes Itself from Papua LNG Project, Joining Growing List of Financiers

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Italy's largest banking group, Intesa Sanpaolo, has announced its decision to not participate in the financing of the US\$10 billion Papua LNG project in Papua New Guinea. This decision follows mounting pressure from environmental groups and a growing trend among global financial institutions to divest from fossil fuel projects.

The Papua LNG project, led by TotalEnergies, ExxonMobil, and Santos, has faced increasing scrutiny from environmental and social activists. Concerns over the project's environmental impact and potential human rights violations have led to growing pressure on potential financiers.

Intesa Sanpaolo's decision comes after the Asian Development Bank (ADB) also confirmed it would not support the project, citing its commitment to sustainable development and climate action. This decision follows a similar trend among other major financial institutions, including Societe Generale, BNP Paribas, UniCredit, Commonwealth Bank of Australia, and National Australia Bank, all of whom have publicly stated their intention to not finance the Papua LNG project.

The project, which aims to double gas production in Papua New Guinea, has faced significant delays and increased costs. The estimated cost has risen from US\$10 billion to between US\$13 billion and US\$18 billion, leading to a delay in the final investment decision (FID), which is now expected in late 2025 or early 2026.

Environmental groups have been actively campaigning against the project, urging financial institutions to consider the environmental and social risks associated with the development. "More and more banks are recognizing the severe climate and human rights risks associated with this polluting gas project and

deciding they want nothing to do with it,” said Rachel Deans from Market Forces, a campaign group that tracks financing for fossil fuel investments.

This decision by Intesa Sanpaolo further strengthens the growing trend among financial institutions to shift away from fossil fuel investments and prioritize sustainable and climate-friendly projects.