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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA HIGHLIGHTS URGENCY OF CLIMATE ACTION AND ECONOMIC TRANSITION AT GLOBAL AFRICAN GREEN HYDROGEN SUMMIT

1. The Governor of the Bank of Namibia, Mr. Johannes !Gawaxab, delivered an address at the Global African Green Hydrogen Summit, highlighting the urgent need for central banks to play an active role in combating climate change and supporting the transition to a sustainable, low-carbon economy. In his speech, the Governor underscored Namibia's bold ambitions to become a leader in green hydrogen production, positioning the country at the forefront of the global energy transition.
2. Governor !Gawaxab opened his speech by acknowledging the severity of the climate crisis, which has shifted from a future concern to a present reality. He emphasised that central banks, traditionally focused on maintaining price stability and safeguarding financial systems, now face the critical responsibility of addressing the economic and financial risks posed by climate change.
3. He further highlighted that developing countries, including Namibia, are disproportionately affected by the physical impacts of climate change. The Governor pointed to recent studies indicating that low- and lower-middle-income countries could face GDP losses of up to 10% and 7.3%, respectively, by 2030 due to climate-related disruptions.
4. Governor !Gawaxab emphasised that Namibia's commitment to becoming a leader in green hydrogen production represents a significant opportunity for the country to lead in the emerging green economy. He acknowledged the challenges associated with this ambition but expressed confidence in Namibia's ability to rise to the occasion.
5. However, the Governor also cautioned that Namibia must navigate two critical transitions: ensuring a just energy transition and managing expectations over the next

5 to 10 years as the country awaits revenues from oil, gas, and renewables, including green hydrogen, to materialise. He emphasised that this cautious approach will be essential to securing long-term prosperity while transitioning to a green economy.

6. The Governor discussed the evolving role of central banks in addressing climate change, highlighting the need for central banks to respond to environmental externalities that impact their core mandates. He noted that the physical and transition impacts of climate change create financial risks that must be mitigated to ensure macroeconomic and price stability.
7. In his address, the Governor outlined the steps the Bank of Namibia is taking to align the financial sector with the country's green hydrogen agenda and foster a resilient, low-carbon economy. He announced the development of a Sustainability Framework, which will institutionalise sustainable finance within the financial industry and establish a dedicated industry body to champion sustainability within the Namibian financial system.
8. The Governor concluded his speech by inviting institutional investors and international stakeholders to join Namibia on its journey toward a green economy. He highlighted Namibia's commitment to creating a regulatory environment that supports the country's hydrogen potential, including the introduction of the Synthetic Fuels Act to establish standards that conform to international guidelines.
9. Said Governor !Gawaxab: "Namibia's journey toward a green economy is not just a policy decision; it is a call to action. Together, we can harness the power of innovation and investment to create a greener, more prosperous Namibia. The world is watching, and the time to act is now."

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