



Bank of Namibia

Enhancing our Engagement with Stakeholders





Table of Contents

FOREWORD	04
1. PLEDGE OF COMMITMENT TO OUR STAKEHOLDERS	05
Internal Relations	05
Relations With Our Staff	05
External Relations	05
Relations With The Government/Authorities	05
Relations With Our Valued Stakeholders	05
Relations With Our Suppliers	05
Relations With The Community	05
2. IMPORTANCE OF STAKEHOLDER ENGAGEMENT	06
3. OUR PHILOSOPHY	06
4. WHY DO WE ENGAGE?	07
5. EXPANDING OUR REACH	07
6. BUILDING A LISTENING ORGANISATION	08
7. THE BANK'S STAKEHOLDERS	08
7.1 Government And State Agencies	09
7.2 Industry Engagement	09
7.3 Civil Society, Consumer Representatives	09
7.4 Regulated Entities And Industry Representative Groups	09
7.5 Business Representatives	10
7.6 International Organisations	10
7.7 Cross Sectoral Stakeholder Engagements	10
7.8 Civil Society, Consumer Representatives And Academia	10
8. STAKEHOLDER IMPACT	11
9. ISSUE MANAGEMENT	12
10. PROPOSED HIGH-LEVEL ENGAGEMENTS FOR 2023	13
Increase Relevance And Relatability	13
Green Economy And Emerging Sectors	13
Thought Leadership	13
Internationalisation	13
11. CONCLUSION	13

Foreword



A key priority for the Bank of Namibia ("the Bank") is to engage with the public and our esteemed stakeholders across the entire economy, with a particular focus on simultaneously educating them and listening to their views, ideas and concerns. Doing this well entails learning from them, from their experiences and their knowledge. Learning well involves listening well – to all sections of society, in an open and transparent manner. We also need to exchange information and ideas, and gain knowledge and insight that will help us perform as effectively as possible. Enhanced engagement with our stakeholders in communities across the length and breadth of our country helps us to understand the issues faced by households, businesses and small and medium enterprises (SMEs) in the economy. It also helps us to identify opportunities to enhance the financial system in the interest of all members of society, and any risks that may be developing. In turn, it helps consumers and the financial services industry to understand what we do, and why we do it.

Last year, the Bank reviewed all aspects of its stakeholder engagement in order to identify both best practices and any areas in which improvements could be made. The Bank is committed to continually enhancing its engagement and extending its reach to relevant stakeholders with whom we don't currently engage. Our existing engagement with stakeholders will continue, but will be augmented by a number of targeted interventions to enhance stakeholder engagement in specific areas. We will build on existing engagement with relevant stakeholders to facilitate greater discussion of cross-sector strategic issues that affect the Bank's supervision of the financial system.

Johannes !Gawaxab

Governor of the Bank of Namibia

1

Pledge of commitment to our stakeholders

1.1 Internal relations

1.1.1. Relations with our staff

We commit:

- to listen, guide, encourage, and support;
- to be honest, fair, transparent, and engaging; and
- to build the foundations of trust in our relations in a spirit of solidarity and cooperation while striving for common goals.

1.2. External relations

1.2.1. Relations with the Government/ authorities

- Compliance with the rule of law shall be the overriding principle in all our business activities and the execution of our mandate.
- We commit to execute our role as fiscal advisor always consult and build healthy relations with the relevant Government and public offices.

1.2.2. Relations with our valued stakeholders

We commit:

- to continually improve the provision of quality service;

- to equip ourselves with the relevant knowledge that allows us to perform our personal and organisational roles; and
- to uphold high ethical standards in our personal conduct at all times.

1.2.3. Relations with our suppliers

We commit:

- to respect and comply with mutually agreed service and quality levels;
- to intensify bilateral cooperation in the spirit of seeking mutual benefit, and to manage the risks and benefits in the supply chain; and
- to ensure that Namibian service providers are prioritised and selected for service delivery.

1.2.4. Relations with the community

We commit:

- We commit to seeking harmony, taking decisions in the best interests of the Namibian people, and spearheading the sustainable economic development agenda.
- Each of our stakeholders is essential. The Bank of Namibia commits to deliver value to all of them, for the future success of our organisation, the communities that we serve, and our country at large.



2 Importance of stakeholder engagement

The Bank of Namibia's Strategic Plan for 2022–2024 outlines Stakeholder Engagement as one of its four key Strategic Pillars. It highlights the need to engage with and listen to the public and to stakeholders to inform our work at the Bank of Namibia ("the Bank") and help build trust in, and understanding of, the Bank. The Bank recognises that to effectively deliver on our mandate, we must work closely with other bodies and key stakeholders both in Namibia and internationally, and engage with and listen to the wider public.

In everything we do at the Bank, we aim to be an open, transparent and accountable organisation. This helps the public and other stakeholders to understand what we do and to have confidence in how we are delivering on our mandate. It is important that we are effectively influencing and shaping the agenda of activities that influence the delivery of our mandate, including by contributing effectively to positive outcomes in the Common Monetary Area, the Southern African Development Community, Africa, and beyond. The importance of meaningful stakeholder engagement is recognised at the most senior levels of the institution. We are working to ensure that we take a consistent, comprehensive, and inclusive approach to how and with whom we engage. We are committed to making a step-change in our engagement across the board, covering the full spectrum of our mandate, from monetary policy to macroprudential policy to financial regulation and consumer protection.



3 Our philosophy

- Reach** Expand the reach of our activities to target not only traditional stakeholders, but also new ones, whilst ensuring that our communication and outreach initiatives reach the various demographic groupings in all regions to ensure that we live up to the mission of the Bank, as per the mandate defined in the Bank of Namibia Act (No. 1 of 2020).
- Educate** There is a need to increase public understanding and knowledge of the Bank and the economy. Communication related to central banking is a key component for effectively putting monetary policy into practice.
- Engage** We are building stronger and more trusted relationships by creating opportunities for dialogue and advocacy. We aim to listen to and understand our audiences in order to inform policy making.

4 Why do we engage?



The Bank serves the public interest by safeguarding monetary and financial stability and by working to ensure that the financial system operates in the best interests of its stakeholders, consumers of banking industry services, and the wider economy. The welfare of the Namibian people as a whole has always been at the core of our work. Our broad mandate allows us to take a comprehensive view and tackle challenges across the entire financial system. We strive to engage with stakeholders who are affected by our actions across our mandate, from financial stability to consumer protection, from financial regulation to payment and settlement systems, and from advice we give for economic recovery to that concerning financial inclusion.

The Bank's strategic focal areas as outlined below are aligned with these objectives:

- promotion of a positive reputation;
- maintenance of a stable and inclusive financial system;
- promotion of growth in the financial sector and the wider economy;
- future-fit organisational capability and effectiveness;
- stakeholder education and confidence in the Bank; and
- social responsibility.

The legislation that governs the activities of the Bank is the Bank of Namibia Act. (No. 1 of 2020). This legislation sets out what the Bank can and cannot do and the specific circumstances under which we are permitted to act. It also prescribes the wider environment within which the Bank must operate, recognising that it is only one part of the financial system architecture.



5 Expanding our reach

For the Bank, engaging with our customers and stakeholders is crucial for shaping the developmental agenda and the future of Namibia. When engaging with stakeholders, the Bank seeks to do so in a manner that is appropriate for the topic under discussion, and encourages a positive outcome for all parties. The Bank thus tailors its engagement with stakeholders as appropriate under the particular circumstances, and the nature of such engagement and the forms it takes differ depending on the sectors/issues that affect the Bank.

This adaptiveness helps us develop initiatives which benefit the economy and the Namibian people at large. It shapes

our business planning and strategic priorities and informs the decision-making process. Engagement with the wider industry accelerates innovation through shared learnings and ideas.

To manage stakeholder relations effectively, a detailed stakeholder engagement plan for the Bank's prioritised stakeholders is devised annually by the Strategic Communications and International Relations Department in consultation with the senior management of the Bank. The engagement plan is compiled at the beginning of every year and adjusted as the need arises.



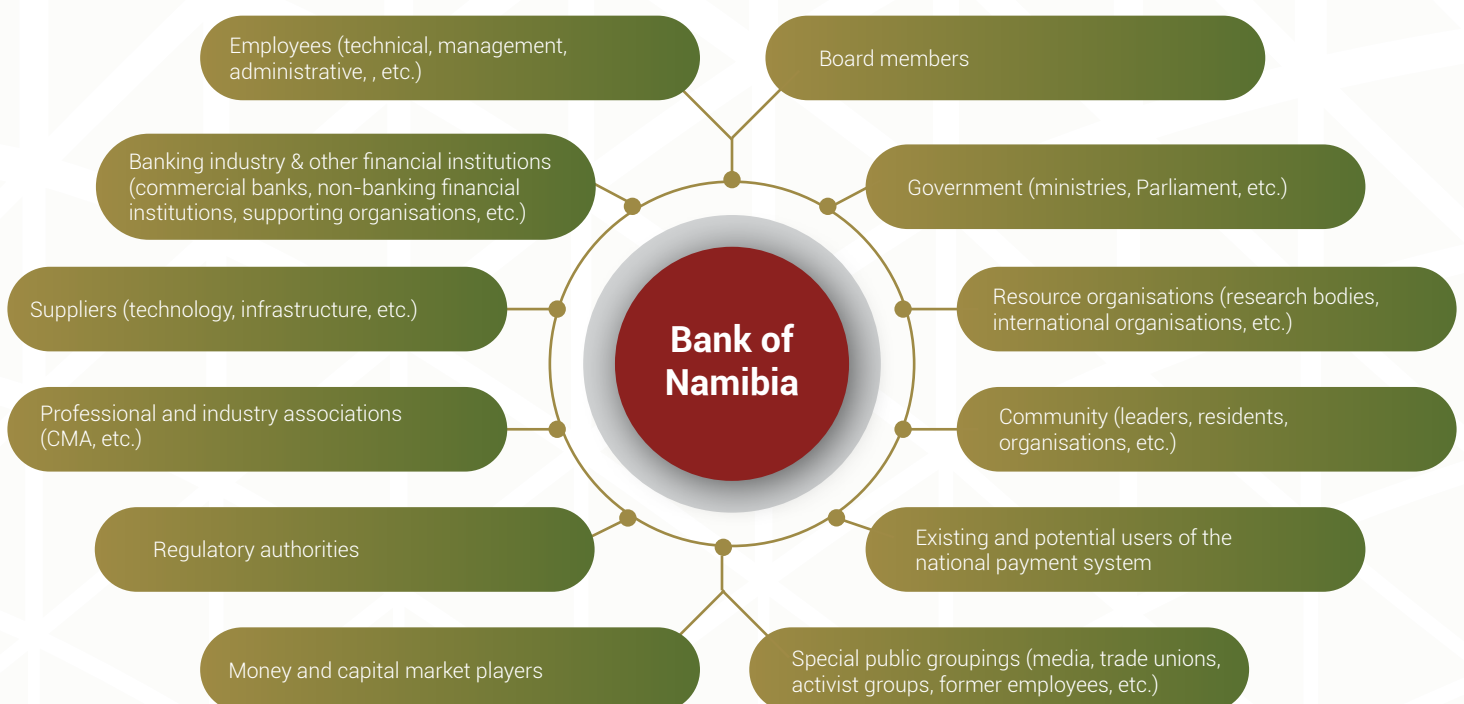
6 Building a listening organisation

The Bank has also taken steps to create opportunities for two-way conversations to enable it to listen to the perspectives of stakeholders in the communities that it serves. COVID-19 has created some new opportunities to reach out to business and community representatives across

the country in sectors that the Bank would not otherwise have engaged with, thus enabling the Bank to contribute to the development and well-being of the Namibian people by engaging with individuals and organisations throughout Namibia.

7 The Bank's stakeholders

Mapping stakeholders is a strategic business tool which is used to identify and assess the effect of an individual or a group of stakeholders on a company. Using this tool, a graphical representation of the Bank's stakeholder groups has been crafted and is regularly updated.



7.1. Government and state agencies

The Bank engages with stakeholders with which it has a direct relationship, often governed by legislation (for example, regulated entities, Government departments and agencies, and regional governing bodies such as the Common Monetary Area, the Committee of Central Bank Governors, the Southern African Development Community, and the Southern African Customs Union).

7.2. Industry engagement

The nature of engagement with the various financial sector industry bodies and regulated entities is sector-specific and mainly bilateral. The Bank regularly meets with them through standing engagements, as well as through specific events with a strategic, cross-sectoral focus. These engagements bring together key financial sector industry stakeholders to engage with the Bank. During these engagements, cross-sectoral, strategic issues relating to the financial system are discussed.

As detailed above, the Bank has recently taken steps to enhance its engagement with the “real economy”, including engagement with SMEs, the business community, and stakeholders across a range of industry sectors. The Bank intends to continue to build on these relations. It is important to continue to engage regularly with the Government, regional and local leadership, business representatives, and SMEs representing a broad range of key industries at both national and regional levels through regular interactive events to ensure that their perspectives of the financial system are captured. Our work in this area is and will continue to be a work in progress, as we consistently challenge

7.3. Civil society, consumer representatives

The Bank strives to meaningfully engage with stakeholders who are affected by its operations but who may not easily have the opportunity to influence its decisions. It does this by engaging with a broad range of civil society, community/voluntary and consumer representative groups through a number of existing platforms and stakeholder fora. These engagements provide opportunities for us to listen to and seek the advice of these representatives.

The Bank's Stakeholder Roundtable is a forum for dialogue between the Bank and representatives from a broad range of industries, including economists and market analysts. The Roundtable is a listening and learning forum, and it provides an opportunity to exchange views and be informed by differing experiences and perspectives on the challenges facing the people of Namibia and opportunities for sustainable economic development. The Bank also engages with a number of academic institutions and think-tanks, and there is ongoing potential to enhance these relationships.

7.4. Regulated entities and industry representative groups

The Bank currently engages very actively with representative groups of regulated industrial entities. Meetings are organised on the basis of the Bank's annual stakeholder engagement plan, and have a sector- or issue-specific focus. In addition, the Bank hosts regional stakeholder engagements and roundtable discussions with the Governor aimed at addressing current topics in Namibian industry sectors.



7.5. Business representatives

Over recent years, the Bank has paid attention to the ongoing enhancement of its engagements with representatives from the real economy. Engagement events such as Monetary Policy Committee Dialogue provide an opportunity for economists and market analysts to discuss issues related to monetary policy with the Bank, whilst the Bank in turn has the opportunity to explain the rationale behind Monetary Policy Committee decisions. The Bank will continue to encourage and avail itself of opportunities to engage with and broaden the stakeholder groups we engage with from various sectors.

7.6. International organisations

The Bank has strong bilateral ties with both regional and international counterparts. Emanating from these relations are mutually beneficially cooperation agreements and bilateral benchmarking opportunities, the purpose of which is to ensure that the Bank is aligned to international financial sector best practices.

7.7. Cross sectoral stakeholder engagements

The Bank undertakes significant stakeholder engagement on matters related to the financial system, across the full range of its activities, and covering regulated entities such as banks, non-bank financial institutions, insurance companies, consumer groups, civil society, academia, and representative groups across a range of industries.

The consultation and engagement mechanisms that are in place provide opportunities for consultation and discussion to all affected stakeholders. However, the Bank has identified an opportunity to enhance our current stakeholder engagement models in respect of the financial system. In particular, there is an opportunity to enhance our structured engagement with civil society, consumer representatives, and industry stakeholders on cross-sectoral, strategic issues relating to the financial system, including matters related to the development of policy for the financial system. By cross-sectoral, strategic issues, we mean issues that transcend sectoral boundaries and have the potential to have material impacts on the financial sector and/or its support

for its customers and clients, and on the economy. These include FinTech, green hydrogen, sustainability, central bank digital currencies, etc. The Bank will ensure coordination of activities (consultations and discussions) to ensure that insights are regularly shared amongst stakeholders through the engagement mechanisms that are in place.

7.8. Civil society, consumer representatives and academia

The Bank engages with a diverse group of civil society representatives, including advocacy and civil society groups, and academics. The Bank is striving to enhance existing fora to provide more opportunities to engage with these groups on matters relating to the financial system, as these groups are themselves consumers of financial services, and on other issues of mutual concern.



8 Stakeholder impact

The Bank conducts stakeholder impact assessments to assess and analyse the impact its decisions have on external stakeholder perceptions, and in turn, to inform the development of appropriate interventions, where needed.

To ensure objectivity throughout the entire process, the Communications Department engaged an external service provider to conduct a stakeholder impact assessment on behalf of the Bank. The assessment measured the effect of business decisions made by the Bank on stakeholders and included their thoughts, beliefs, needs, and feedback, amongst others.

The goals of this study were to assess:

- the impact that the Bank is making, and the level of awareness of such impact;
- whether the impact is in line with stakeholder expectations; and
- stakeholder approval and buy-in in connection with various areas such as communication, public education campaigns, brand visibility and strategic alignment (i.e. the Bank's mandate, vision and mission).

The stakeholders targeted for this survey were Government representatives, state-owned enterprises, banking sector and financial institutions, the media, the business community, research and educational bodies, financial and regulatory bodies, women, and former employees.

The overall perception on the Bank's execution of its mandate was measured as 81.9% positive – indeed an "Excellent Result". The importance of stakeholder relations with the Bank was rated at 88.3%; stakeholders rated their overall confidence in the Bank to continue making an impact in the various areas in which it operates with a "Positive Score" of 76.4%

The Bank biannually conducts external perception surveys to gauge how it is viewed by the general public. The Bank has taken a transparent approach to its engagement with external stakeholders. Events are live-streamed on the Bank's website and on social media platforms. Engagement with stakeholders is also a key priority for the Bank which regularly considers feedback obtained through consultation and engagement with stakeholders in their decision-making.



9 Issue management

Issue management is the process of identifying issues affecting the operations of the Bank, and, when such issues are detected, resolving them as a matter of urgency before they develop into a crisis. There are three categories of issues that can be identified and considered by the Bank: current issues, emerging issues, and social issues:

Current issues These are issues that are currently debated in the public sphere, e.g. by individuals in the Government, businesses or political parties, and which are covered in both traditional and social media.

Emerging issues These are issues that are likely to become important within two to five years, and will either be the subject of legislation, or regarding which the Government's position or draft legislation has not yet been formulated.

Social issues: These issues relate to changing attitudes and human behaviour, and demographic, social and technological trends that may have political or economic consequences.

The Bank conducts environmental scanning and stakeholder assessments to identify potentially threatening issues. Thereafter, a situation analysis and an action plan with implementation measures are formulated to manage issues that have a direct bearing on the operations of the Bank. At the end of each performance cycle, the Strategic Communications and International Relations Department reports on the issues that were detected, and how such issues were handled or resolved in order to mitigate any negative impact on the reputation of the Bank.

Key elements of the issue management framework are a clear understanding of the various stakeholder groups; a definition of the issue (a concise statement of the problem that is gaining public attention and creating pressure or conflict); the importance of the issue and its potential impact on the Bank; and recommended actions.



10 Proposed high-level engagements for 2023



10.1. Increase relevance and relatability

- Monetary Policy Committee dialogue
- Financial Stability Report launch
- Regional stakeholder visits
- National Assembly and National Council standing engagements

10.3. Thought leadership

- Specialised themes and topics (green financing, sustainability, efficiencies in the property market, the sovereign wealth fund, etc.)
- Media engagement

10.2. Green economy and emerging sectors

- Cross-sectoral Industry Roundtable discussions
- Individual working lunches with strategic stakeholders
- Group stakeholder engagements with industry representatives

10.4. Internationalisation

- Stakeholder forum with key stakeholders (diplomats)
- Roundtable and working lunches
- Participation at international fora and events

11 Conclusion

The Bank is committed to the attainment of an inclusive and stable financial system for the benefit of all Namibians. At the Bank, we understand that we have been entrusted with the responsibility to play a vital role in ensuring monetary and financial stability, but we cannot do this alone. Collaboration with our stakeholders is critical to achieving our vision and fulfilling our mandate.

We look forward to continuing to serve the Namibian people with passion, and to listening to what they have to say so that together, we can steer this great nation towards sustainable economic development and prosperity for all.