

Ministry Of Environment, Forestry and Tourism



Key note address by  
Hon. Heather Sibungo  
Deputy Minister of Environment, Forestry and Tourism

At the occasion of the Bank of Namibia thought leadership on  
“leveraging innovation for green finance”

17 OCTOBER 2024

Droombos,  
WINDHOEK

Governor of the Bank of Namibia, **Mr Johannes !Gawaxab**  
Deputy Governor of the Bank of Namibia, **Ms Leonie Dunn**  
Officer in Charge of the Bank of Namibia, **Mr Marsorry Ickua**  
Deputy Governor of the South African Reserve Bank, **Ms Fundi Tshazibana**  
Chief Executive Officer of the Namibia Financial Institutions Supervisory  
Authority, **Mr Kenneth Matomola**  
President of the Bankers' Association of Namibia, **Mr Erwin Tjipuka**  
Chairperson: Namibia Savings & Investment Association, **Mr Eino Emvula**  
**Esteemed colleagues from the banking & non-banking financial sector,**  
**Distinguished guests both in person and virtual,**  
**Members of the media,**  
**Ladies and gentlemen,**

**Good morning.**

**It is a distinct honor and privilege for me, to be with you all this morning. I am a firm believer of sustainable practices, hence, sustainable development through integrating sustainability practices, into financial systems is a discussion I wholeheartedly welcome. Therefore, I am delighted to join you today at this important thought leadership event hosted by the Bank of Namibia. The work you are doing to integrate sustainability into our financial systems is indicative of the foresight and innovation needed in these transformative times. We must all do all that we can to safeguard Planet Earth. Hence, I am encouraged by the synergy we are creating between the Government and the financial sector to address the most pressing issue of our time: climate change !!!.**

**Today, I wish to speak not only about the impact of climate change on Namibia but also about the role that every sector, including the financial sector, must play in ensuring that we build, a future that is both resilient and sustainable for the next generation of Namibians. As we have witnessed from our prolonged droughts and hurricanes in other parts of the globe, Climate change is no longer a distant problem—it is here, it is now and it is reshaping our country and our continent.**

***Ladies and gentlemen,***

**Namibia is particularly vulnerable to the impacts of climate change. With over 70% of our population dependent on climate-sensitive sectors such as agriculture and tourism, the changing climate situation threatens not only our environment but also our livelihoods, food security and overall economic stability. Over the past decade, we have experienced persistent droughts, severe flooding and an increase in extreme weather events, all of which have taken a toll on our natural resources and the communities that depend on them. This has also put tremendous financial pressure on the Ministry of Environment, Forestry and Tourism to mitigate impacts of Human Wildlife Conflict (HWC).**

**However, despite this vulnerability—and despite the fact that Namibia contributes just 0.003% to global greenhouse gas emissions—we have chosen not to be passive victims of this crisis. We have chosen action. Our updated Nationally Determined Contributions has set forth a commitment to reduce our greenhouse gas emissions by an extraordinary 91% compared to our business-as-usual trajectory, by 2030. This comprehensive plan involves ambitious efforts across key sectors, including energy, transportation, agriculture and land**

use. We are pushing forward with renewable energy projects, investing in **reforestation initiatives** and developing adaptive technologies to help our farmers and coastal communities build resilience to the impacts of climate.

For example, Namibia's **Community-Based Adaptation Programs** are being implemented in some of our most vulnerable regions, focusing on sustainable agricultural practices that restore soil health and improve water management. In the energy sector, we are rapidly expanding our renewable energy portfolio and etching ourselves as an energy hub, with solar, wind and **green hydrogen solutions** being developed to increase our energy security while reducing carbon emissions. These initiatives are as much a response to the immediate threats we face as they are part of a broader vision to transform Namibia into a green economy—one that is climate-resilient, inclusive and sustainable.

*Director of Proceedings*

*Distinguished guests,*

Climate change and economic growth are not mutually exclusive. On the contrary, we believe that Namibia's path to prosperity lies in leveraging the opportunities presented by a green economy, enabled by technology. We are both mitigating risks and actively pursuing a development model that places sustainability at its core. That is running the same race faster and running a different race, altogether.

**Moreover, sustainable tourism—rooted in our efforts to preserve biodiversity and protect natural habitats—is a growing pillar of our economy.** Namibia's eco-tourism sector, particularly in protected areas like Etosha National Park, the Namib Desert, State Concessions and Communal Conservancies, is not only vital to supporting rural livelihoods and attracting international investment. We see the green economy as the future of Namibia's economic development, where environmental stewardship and economic advancement go hand in hand.

**Namibia is blessed with some of the highest solar irradiation levels in the world.** This gives us a special competitive advantage in the clean energy transition. By 2030, we aim to generate at least 70% of our energy from renewable sources. Namibia's hydrogen sector, for instance, has the potential to become a major contributor to our GDP, creating thousands of new jobs in construction, operations and research. We have already seen significant progress amongst projects that are moving from the feasibility study to the final investment decision stage. But this is just the beginning.

*Ladies and gentlemen,*

**This transformation will not happen without significant investment. Climate finance is essential for unlocking the potential of our green economy.** This is why today's dialogue, focused on the role of the financial sector, is so critical. According to the Country Report by the African Development Bank, Namibia will need about US\$ 5.3 billion over 2021 – 2030 to meet its climate change targets and an average of US\$ 565 million annually to meet its green growth objectives. The finance sector can help mobilise the required funds through

innovative mechanisms like green bonds, sustainability-linked loans and blended finance to attract private investment.

**The Government, through institutions like the Ministry of Environment, Forestry, and Tourism and the Ministry of Finance and Public Enterprises should collaborate with the Bank of Namibia and other financial institutions to create an enabling environment for climate investment.** In this regard, innovative financial mechanisms such as green bonds and sustainability-linked loans to channel investments into projects that address both mitigation and adaptation needs should be prioritised. The work of institutions such as the Environmental Investment Fund (EIF), for instance, has been instrumental in mobilising and managing financial resources over N\$3.6 billion for climate action and supporting projects such as climate-resilient agriculture and renewable energy.

**Local institutions have also already made strides in sustainable finance.** Bank Windhoek issued the country's first green bond in 2018 and a sustainability bond in 2021, raising N\$227 million to fund renewable energy, sustainable agriculture and biodiversity projects. Standard Bank Namibia followed with a green bond in 2022, mobilising N\$400 million for solar and wind energy projects, while RMB Namibia's green bond, issued in partnership with FNB Namibia, raised N\$353 million for green buildings and renewable energy initiatives.

I can also mention **Nedbank Go-Green Fund** that has since its establishment in 2001, been instrumental in raising awareness and altering perceptions regarding environmental interactions, through partnerships with key stakeholders in conservation and sustainability such as **Namibia Nature Foundation (NNF)** and **Eco-Awards Namibia**, promoting sustainable practices

and encouraging responsible environmental stewardship. This is indicative of a financial sector that is committed to driving sustainable projects.

**Additionally, digital finance technologies can play a pivotal role in enhancing transparency and accountability in green financing, ensuring that funds are allocated effectively and monitored throughout the project lifecycle. This alignment between finance and sustainability not only strengthens our economy but also builds public trust, ensuring that our people see the benefits of these initiatives in their daily lives.**

**But we must also be realistic.** The transition to a green economy requires overcoming barriers, including limited access to financing for small and medium-sized enterprises and the challenge of scaling up projects quickly enough to meet our targets. This is where international support becomes crucial. Namibia is already working with global partners to secure climate finance, including through the Green Climate Fund, but we must continue to advocate for stronger global financial flows to developing countries like ours.

**Therefore, it is with great pride that I stand here to welcome the formal establishment of a Sustainability Framework to guide the financial sector's integration of sustainable finance principles, another step in the right direction.** This Framework aims to accelerate inclusive economic growth and social progress by fostering a coordinated approach to sustainability, encompassing the entire financial ecosystem.

*Fellow Namibians,*

**The road ahead is not without its challenges.** But I am confident in Namibia's and Namibians' ability to rise to the occasion. We are a country rich in potential—not just in terms of our natural resources, but in the ingenuity and resilience of our people. Our path forward must be one that integrates environmental sustainability, economic growth and social inclusion. As we move forward together, let us remember: The future of our country does not lie in what we preserve alone, but in the actions, we take today to build something better. Let us seize this moment to lead, innovate and transform Namibia into a resilient, sustainable and thriving nation.

*Thank you.*

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