



SUSTAINABILITY FRAMEWORK

LEVERAGING INNOVATION FOR GREEN FINANCE

17 OCTOBER 2024



Bank of Namibia

TABLE OF CONTENT

- 01** Background & Context
- 02** The Sustainability Framework
- 03** Launch & Endorsement



01

BACKGROUND & CONTEXT



Bank of Namibia

01 Climate as an Emerging Risk

02 The Role of the Central Bank



Extreme weather has been ranked as the top risk affecting the world in 2024 and years beyond according to a study by the World Economic Forum.



Climate-driven natural disasters resulted in global economic losses of \$280bn in 2023.



01 Climate as an Emerging Risk

Should central banks consider mandatory climate change financing?

Do decisions about policies that directly address climate change lie outside the mandates of regulators?

02 The Role of the Central Bank



Most central banks will have to incorporate climate and mitigation-risks into their core policy implementation frameworks to efficiently and successfully safeguard price and financial stability (Dikau & Volz, 2021).



01 Climate as an Emerging Risk

02 The Role of the Central Bank

There are three factors pushing the Bank to play a more active role:



Central Banks must respond to environmental externalities that impact their core mandates.



Central Banks can encourage regulated entities to account for ESG considerations in their operations & lending.



As regulators, Central Banks must lead by example.



02

THE BANK OF NAMIBIA'S SUSTAINABILITY FRAMEWORK



Bank of Namibia

In our 2022- 2024 Strategic Plan, the Bank identified becoming a 'Sustainable and Green Organisation' as a high-level strategic objective.

The Sustainability Framework sets out to achieve this objective by institutionalising sustainability principles within the organisation and promoting the greening of the financial system.



MISSION

To actively foster a sustainable financial system accelerating Namibia's inclusive economic growth and social progress.

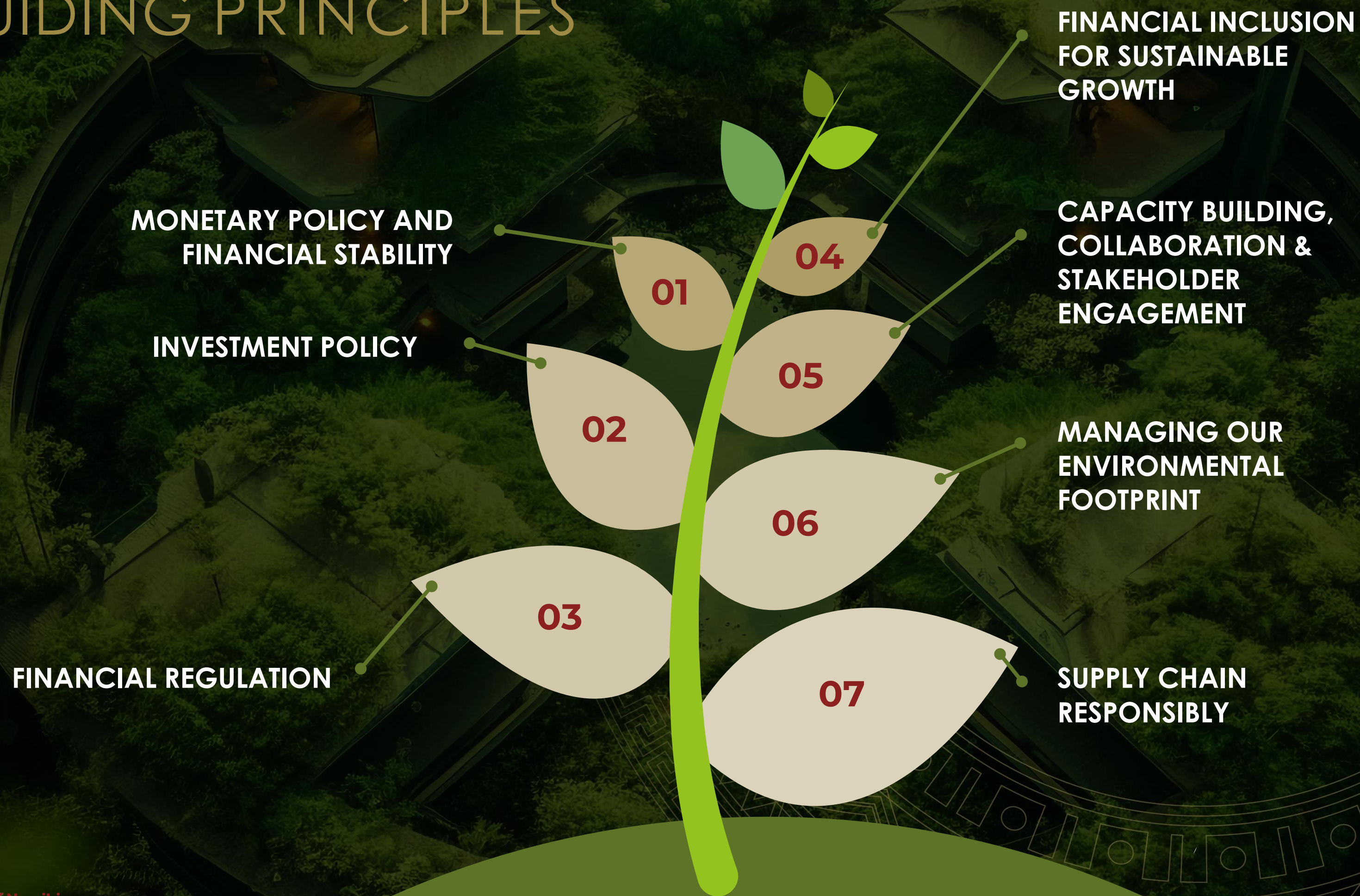


VISION

A Thriving Namibian Financial Sector, Built on Sustainable Prosperity.



GUIDING PRINCIPLES



GUIDING PRINCIPLES

01

MONETARY POLICY AND FINANCIAL STABILITY

- Investigate the use of traditional monetary policy tools to advance sustainable finance.
- Apply stress testing frameworks that account for climate-related shocks.

GUIDING PRINCIPLES

02

INVESTMENT POLICY

- Consider integrating Environmental, Social, and Governance (ESG) factors into investment decision-making.
- Encourage innovation in sustainable finance by developing new investment products and strategies.

GUIDING PRINCIPLES

03

FINANCIAL REGULATION

- Promote ESG and disclosure reporting within the banking sector.
- Develop Sustainable Lending Guidelines to encourage banks to adopt sustainability criteria in their lending practices.
- Foster innovation in financial technology (FinTech) to support sustainable finance initiatives.

GUIDING PRINCIPLES

04

FINANCIAL INCLUSION AND SUSTAINABLE GROWTH

- Engage communities to understand their financial needs and contribute towards ensuring that financial services promote social welfare and inclusion.

GUIDING PRINCIPLES

05

CAPACITY BUILDING, COLLABORATION AND STAKEHOLDER ENGAGEMENT

- Collaborate with industry associations, regulatory bodies, and national and international partners to share best practices, promote dialogue, and enhance expertise on sustainability issues within the financial industry.

GUIDING PRINCIPLES

06

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Measure and report the Bank's carbon emissions in accordance with the Greenhouse Gas "GHG" Protocol.

Scope 1: Emissions from sources owned by the Bank

Scope 2: Indirect emissions as a result of the Bank's energy use

Scope 3: Emissions derived from the Bank's value chain

GUIDING PRINCIPLES

07

SUPPLY CHAIN RESPONSIBILITY

Proactively manage the environmental impact of the currency supply chain, ensuring the cash industry remains resilient and sustainable.



03

**ENDORSEMENT
OF THE
SUSTAINABILITY
FRAMEWORK**



Bank of Namibia



SUSTAINABILITY FORUM



THANK YOU

LEVERAGING INNOVATION FOR GREEN FINANCE



Bank of Namibia