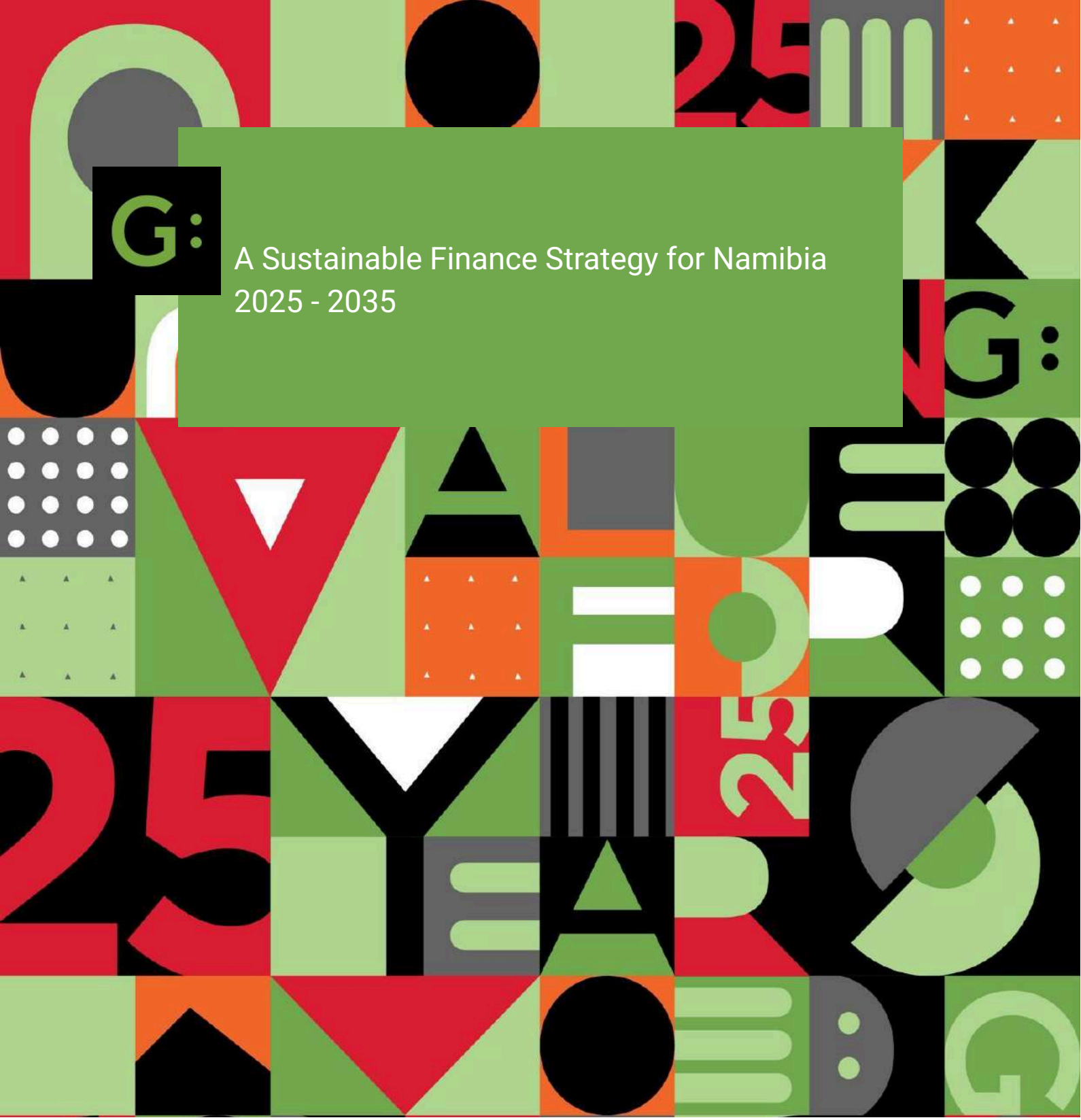


A Sustainable Finance Strategy for Namibia 2025 - 2035

A roadmap for integrating sustainability into Namibia's financial sector to foster resilient, inclusive, and sustainable economic growth.

Prepared by Genesis Analytics

09 December 2025

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List of acronyms

AFI	Alliance for Financial Inclusion
BoN	Bank of Namibia
DBN	Development Bank of Namibia
EIF	Environmental Investment Fund of Namibia
FSTS	Financial Sector Transformation Strategy
FNB	First National Bank
GCF	Green Climate Fund
GIPF	Government Institution Pension Fund
IGF	Inclusive Green Finance
NDC	Nationally Determined Contribution
NDP	National Development Plan
NGFS	Network for Greening the Financial System
NSX	Namibia Stock Exchange
SFS	Sustainable Finance Strategy
SSE	Sustainable Stock Exchange
TCFD	Task Force on Climate-Related Financial Disclosures

Foreword by the Governor of the Bank of Namibia

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Executive Summary

To be included with final SFS.



1 | Introduction: The Case for Sustainable Finance in Namibia

1 | Introduction : The Case for Action

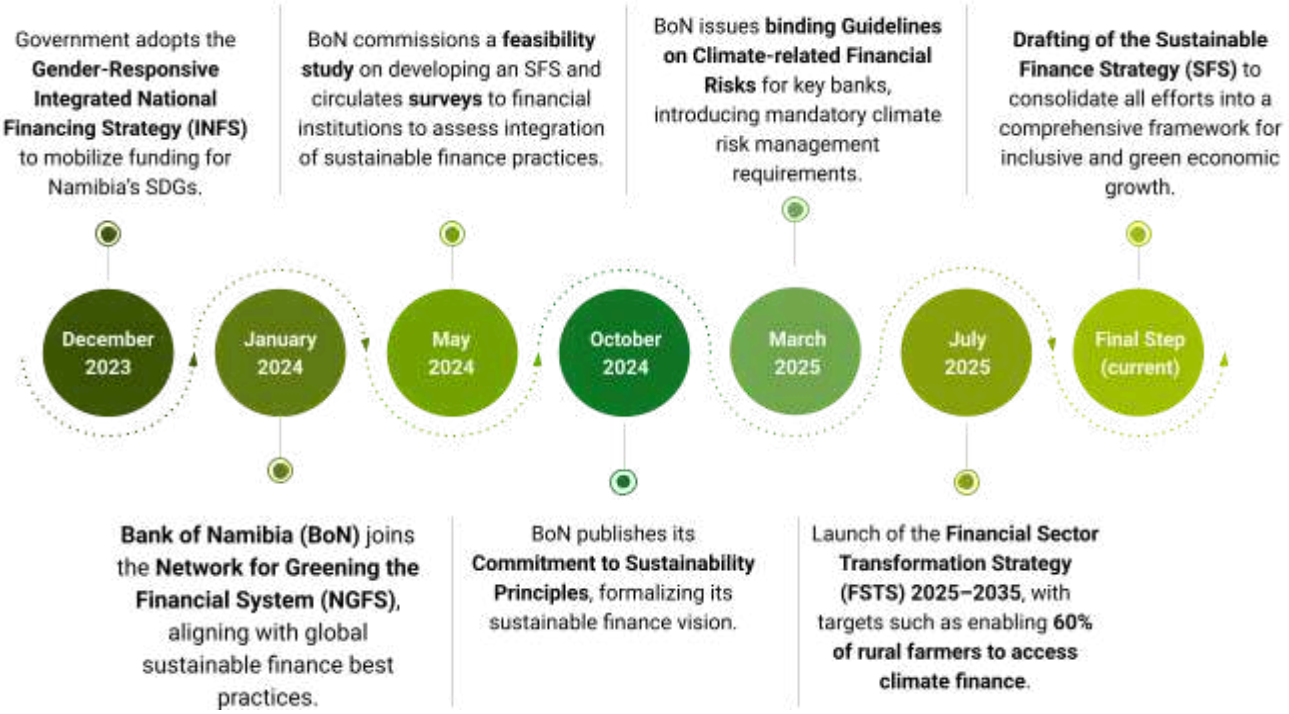
1.1 Background to the Strategy

The development of Namibia's Sustainable Finance Strategy (SFS) marks an important milestone in the country's ongoing journey towards sustainable development, a process that has been gathering momentum for several years, driven by both regulatory leadership and market innovation.

In January 2024, the Bank of Namibia (BoN) signaled its commitment to global best practices by joining the Network for Greening the Financial System (NGFS). Following this, in October 2024, the BoN published its own *Commitment to Sustainability Principles* and an internal Sustainability Framework. These deliberate actions were part of the BoN's role as the primary architect in building momentum for the country's Sustainable Finance Strategy (SFS). The bank's efforts are in line with its mandate to promote inclusive and sustainable economic development and build on the government's broader Gender-Responsive Integrated National Financing Strategy (INFS) of December 2023, which aims to mobilise funding for Namibia to achieve the Sustainable Development Goals (SDGs), ultimately contributing to the nation's sustainable development.

The BoN continued to lay the groundwork for the SFS through key strategic initiatives. In May 2024, it commissioned a feasibility study on developing an SFS, followed by a survey of financial institutions in December 2024 to assess the integration of sustainable finance practices. Most notably, in March 2025, the BoN issued binding *Guidelines on Climate-related Financial Risks* for the country's domestic systemically important banks (D-SIBs), creating a clear regulatory requirement for climate risk management.

The latest step in this journey is the launch of the National Financial Sector Transformation Strategy (NFSTS) 2025–2035 in July 2025. This strategy explicitly prioritises the expansion of green finance and sets concrete targets, such as enabling 60% of rural farmers to access climate finance.



In parallel with government action, the private sector has also demonstrated leadership and innovation. The Namibian Stock Exchange (NSX), a signatory to the Marrakesh Pledge,[1] has established a dedicated listing segment for sustainability bonds and joined the UN Sustainable Stock Exchanges (SSE) initiative. Bank Windhoek issued a green bond in 2018, and the first-ever sustainability bond in 2021. FNB Namibia followed with a green bond, contributing to a total of five green and sustainable bonds listed on the NSX by mid-2023. The Development Bank of Namibia (DBN) has also emerged as a champion, integrating climate change considerations into its core operations and developing a comprehensive Sustainable Finance Framework to guide its lending activities. Together, these initiatives demonstrate a growing readiness within Namibia's financial ecosystem, making the development of a formal SFS the logical next step to coordinate efforts and scale up action.

While the efforts above highlight increasing interest in sustainable development for Namibia's financial sector, these efforts lack a comprehensive and coherent sustainable finance roadmap to guide the sector's efforts. Initiatives are largely limited to individual commitments from banks and lack coordination. For example, while some institutions have begun reporting on their Environmental, Social and Governance (ESG) performance, there is yet to be a reporting requirement for financial institutions. The SFS will unify these disjointed efforts, providing the coordination needed to create a sustainable financial sector for Namibia.

1.2 National Imperative: Aligning with Namibia's Vision

The Sustainable Finance Strategy (SFS) builds on Namibia's long-term development planning and international commitments. Vision 2030 seeks to transform Namibia into a prosperous and industrialised nation, operationalised through successive National Development Plans (NDPs). The most recent plans, NDP5 and NDP6, include explicit pillars for environmental sustainability and resilience. Namibia's updated Nationally Determined Contribution (NDC) under the Paris Agreement commits to a 91% reduction in greenhouse gas emissions by 2030. Achieving this will require over US$15 billion in investment, with 90% dependent on external financing, underscoring the need for a robust framework to mobilise capital at scale.

Namibia's economic structure adds urgency to this agenda, as the country faces the dual imperative of achieving ambitious growth targets while building resilience to the severe impacts of climate change. Namibia's heavy reliance on climate-vulnerable sectors poses significant economic risks, as its predominantly rain-fed agriculture is directly exposed to persistent droughts and unpredictable rainfall which disproportionately affects vulnerable segments of its population (such as women and Indigenous People) which are exposed to this risk. In parallel, its water-intensive mining operations are threatened by both severe water scarcity and potential disruptions to the climate-sensitive hydroelectric power supply. Recent oil and gas discoveries in the Orange Basin create both opportunities and questions for sustainable development. This requirement requires a "dual track" approach. On the one hand, developing large capital investments to support growth. On the other, developing accessible green finance sources aimed at vulnerable communities and reduced socio-economic inequalities.

[1] A continental coalition dedicated to fostering green finance in Africa and enabling an effective shift towards a low-carbon economy.

1.3 Role of the SFS in Guiding and Scaling Action

While individual market players have demonstrated appetite for sustainable finance, there is a need to harmonise and scale up existing initiatives to ensure that Namibia meets its national objectives. A coherent national sustainable finance strategy is needed to close the US$15 billion investment gap between NDC requirements and current market capacity. The SFS will create a predictable and unified framework that aligns all market participants, operationalises the green finance objectives of the new Financial Sector Transformation Strategy (FSTS) 2025–2035, and provides the definitions, reporting standards, and impact measurement tools necessary to build investor confidence and mobilise capital at scale.

The SFS will serve as the financial blueprint for Namibia's "dual-track" transition:



National imperatives and emerging market dynamics make the SFS a timely and strategic intervention. By creating a predictable and unified framework, the SFS will

1. translate Namibia's national priorities into actionable, measurable, and time-bound targets,
2. align public and private sector efforts, provide clear definitions and reporting requirements,
3. build investor confidence to mobilise the scale of capital needed for Namibia's sustainable transition.

1.4 Lessons from Comparators : International Best Practices

Namibia can draw on the experiences of other countries to adapt sustainable finance models to its own context. The SFS can be guided by the following key lessons, informed by best practices.[2]

Table 1: Comparator countries and key lessons

Country	Key Lessons
Angola[3]	Prioritise alignment with internationally recognised principles for sustainable finance and build external validation to enhance credibility and attract international investors.

[2] Alliance for FInancial Inclusion,'Roadmap for Inclusive Green Finance Implementation', 2024 (Available here)
[3] Ministerio das Financas, 'Operational Sustainable Finance Framework', 2022 (Available here)

Botswana[4] 	Adopt an integrated approach that closely links the sustainable finance strategy with national development goals and the Sustainable Development Goals (SDGs), with a specific focus on closing the financing gap for these goals.
Egypt[5] 	Develop a comprehensive framework that encompasses ESG projects, guided by a long-term national vision to ensure that sustainable finance contributes to broader national development objectives.
Georgia[6] 	Empower the central bank or a similar financial regulatory body to take a leading role in driving the sustainable finance agenda, including the development and continuous improvement of the regulatory framework.
Ghana[7] 	Establish a clear and context-specific "green taxonomy" to define what constitutes a green investment. This will provide clarity to the market, prevent "greenwashing," and help to attract targeted green investment.
Mauritius[8] 	Consider establishing a dedicated institution or a specialised unit within a key institution to coordinate and champion the climate and sustainable finance agenda, ensuring focused and sustained effort.
Nigeria[9] 	Foster a collaborative, industry-wide approach, led by the central bank, to develop and implement sustainable banking principles across the entire financial sector.
South Africa[10] 	Utilise a multi-stakeholder approach, involving both public and private sector actors, to develop a sustainable finance taxonomy. This ensures the taxonomy is both practical and aligned with international standards to attract foreign capital.
United Arab Emirates[11] 	Focus on building strong public-private partnerships to create an enabling environment for sustainable finance. This should include measures to de-risk private sector investments in green and sustainable projects.

These country insights suggest the following principles should guide the drafting of the SFS for Namibia:

1. Align with National Priorities and International Standards

The SFS should be firmly aligned with Namibia's national development agenda, including Vision 2030 and the NDPs. This ensures the strategy serves as a cohesive tool for achieving national goals. Following **Ghana**'s model, the SFS can explicitly link financial instruments to expenditures supporting Namibia's NDC objectives, creating a clear connection between mobilised capital and its developmental impact.

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[4]Government of Botswana, 'Botswana Sustainable Financing Strategy), 2023 (Available here)
[5] Ministry of Finance,Sovereign Sustainable Financing Framework', 2022, (Available here)
[6] National Bank of Georgia,'Sustainable Finance Roadmap',2025 (Available here)
[7]Ministry of Finance, 'Ghana Green Finance Taxonomy', 2024. (Available here)
[8] Bank of Mauritius, 'Bank of Mauritius Climate Change Centre', 2025 (Available here)
[9]Central Bank of Nigeria,'Nigeria Sustainable Banking Principles', 2012 (Available here)
[10]National Treasury, 'Financing a Sustainable Economy, Technical Paper', 2021, (Available here)
[11] UAE Ministry of Climate Change & Environment, 'UAE Sustainable Finance Framework 2021-2031', 2021 (Available here)

Alignment with international standards is also key to attracting sustainable financing. **Angola** exemplifies this by basing its strategy on recognised frameworks such as the Green Bond, Social Bond, and Sustainability Bond Principles of the ICMA, along with Loan Market Association (LMA) standards, thereby enhancing access to international capital.

2. Establish Strong Governance and Data Transparency

Effective implementation requires robust governance and multi-stakeholder coordination. Namibia should establish clear institutional ownership and inter-ministerial coordination, drawing on **Botswana**'s model. **Mauritius** demonstrates how strong, centralised government leadership, empowered through a dedicated agency, can coordinate policy and actively promote investment, accelerating progress towards becoming a sustainable financial hub. **Nigeria**'s experience highlights the value of an integrated national sustainable finance roadmap that aligns public ministries, private financial institutions, regulators, and development partners under a single strategic umbrella, preventing fragmented policies.

Complementing governance with a commitment to data transparency is essential. By implementing Environmental, Social and Governance (ESG) disclosure guidelines and a comprehensive reporting framework similar to those used by leading **South African** banks, Namibia can build data systems that reduce information asymmetry and strengthen investor confidence.

Georgia's phased and consultative approach, involving international organisations, ministries, and financial institutions, ensured broad alignment and buy-in. Its SFS incorporated transparency as a key pillar, introducing ESG disclosure requirements into Corporate Governance Codes for commercial banks.

3. Foster market innovation and build capacity

Stimulating a sustainable finance market requires innovation in financial instruments and management processes. A sovereign green bond, like **Nigeria**'s pioneering issuance, can lead market development. Concurrently, promoting blended finance approaches, such as the African Development Bank's Sustainable Energy Fund for Africa (SEFA), can de-risk projects and attract scalable capital.

Crucially, innovation must be paired with strong capacity building. Platforms that equip regulators, financial institutions, and SMEs with skills for ESG risk integration and impact measurement are key. **Egypt**'s high-profile sovereign green bond exemplifies how such instruments can catalyse markets by signalling clear policy commitment and building local capacity, supported by a credible, externally verified framework and expert technical assistance.

4. Provide targeted incentives and binding guidelines to the private sector

Targeted incentives such as tax breaks or credit guarantees for green and social finance help overcome market barriers and attract private sector participation. These should align with Namibia's socio-economic priorities, including financial inclusion, a key pillar of the NFSTS. **South Africa'**s dedicated 'just transition' workstream shows how targeted financing models can integrate social equity and development priorities, addressing community needs in line with Namibia's "triple challenge" of inequality, poverty, and unemployment.

In contrast to incentives, binding guidelines can compel market action. For example, **Egypt**'s central bank requires banks to incorporate climate risk into their credit and investment policies and set a

target to finance a certain percentage of green projects, creating a clear regulatory mandate for the sector.

5. Ensure Adaptive Management

To ensure long-term effectiveness, the strategy should include a robust monitoring and impact measurement system with clear KPIs. Mirroring **Ghana**'s framework, this allows continuous learning, adaptation to market changes, and oversight to maintain market accountability.

6. Learn from a Dual Approach to Extractive Industries

The **United Arab Emirates (UAE)** offers valuable lessons with its "dual approach," using oil wealth to proactively fund economic diversification while strategically investing in renewable energy and green finance to build a post-oil economy. This approach highlights the importance of leveraging resource revenue to avoid the "resource curse" by prioritising diversification, establishing strong governance for sovereign wealth funds, and investing in human capital.



2 | Approach and Methodology

2 | Approach and Methodology

2.1 A Phased Approach to Strategy Development

The approach adopted for developing Namibia's SFS was structured and sequential, ensuring each phase built logically on the previous one. This methodology, which progressed from foundational research through collaborative drafting to capacity building, reflected best practices for developing sustainable finance roadmaps. The development of the SFS spanned four months, from August 2025 to December 2025**.** The project was implemented in three successive phases.

Phase 1: Inception and Scoping

The first phase established a solid foundation and shared understanding for the project. The primary deliverable was the Inception Report (Chapters 1 and 2 of this document), which laid out the context, objectives, and approach. The Inception Phase included a virtual Launch Workshop for the development of the SFS, designed to secure buy-in from all relevant stakeholders and set the stage for the collaborative work that followed. A Position Paper on sustainable finance in Namibia was also drafted and used as a basis for subsequent consultations.

Phase 2: Diagnostic and Stakeholder Engagement

This phase focused on conducting a comprehensive diagnostic of the sustainable finance landscape by engaging with key stakeholders and building on the Position Paper.

2.1. Diagnostic and discovery

Building on the Position Paper and stakeholder consultations, a validated diagnostic of Namibia's sustainable finance ecosystem was developed. This entailed a detailed assessment to identify barriers, opportunities, and gaps.

2.2. Review of online survey

Additional data through survey responses from the Bank of Namibia's sustainable finance questionnaire was leveraged to complement the desk research. These inputs provided up-to-date insights into financial institutions' practices, including their integration of sustainable finance principles, capacity gaps, governance structures, and overall readiness. This information strengthened the diagnostic and helped to tailor engagements with respondent institutions.

2.3. Stakeholder engagement

This activity served to strengthen the findings from the desk research with primary engagements. Engaging stakeholders across the financial sector in Namibia ensured that the strategy was contextually grounded and responded to the needs of relevant stakeholders.

Phase 3: SFS Socialisation and Capacity Building

The final phase was dedicated to completing the Strategy, defining the pathway for its roll-out, and equipping stakeholders for effective implementation. Key steps included:

1. Finalising the Strategic Pillars (Chapter 4 of the SFS).
2. Using these validated pillars to develop the Implementation and Roadmap.
3. Designing and facilitating in-person capacity-building workshops in Namibia with both the banking and non-banking financial institutions.



3 | Diagnostic Study on the Sustainable Finance Landscape

3 | Diagnostic Study on the Sustainable Finance Landscape in Namibia

The diagnostic study covers the state of play of sustainable finance in Namibia. It builds on the existing country research, strategic studies from the Bank of Namibia and other actors, and stakeholder engagement, to present the landscape of sustainable finance in the country. This chapter is structured as follows:

- **Section 3.1** begins with an assessment of the sustainable finance landscape in Namibia providing an overview of the financial sector and sustainable finance landscape in Namibia; the state of inclusive green finance in the country and an analysis of the country's policy and institutional framework complemented by an analysis of the broader regional and international framework for alignment by Namibia's efforts.
- **Section 3.2** discusses existing sustainable finance efforts and initiatives in the country, and particularly at the issue and use of sustainable finance instruments; defines emerging green sectors and activities as well as the current levels of sustainable finance flows.
- **Section 3.3** then identifies existing barriers that can constrain the development of a robust sustainable finance market in Namibia.
- **Section 3.4** concludes the diagnostic study by summarising the key points raised, with a link to how these can inform the SFS' strategic pillars.

3.1 Assessment of the sustainable finance landscape in Namibia

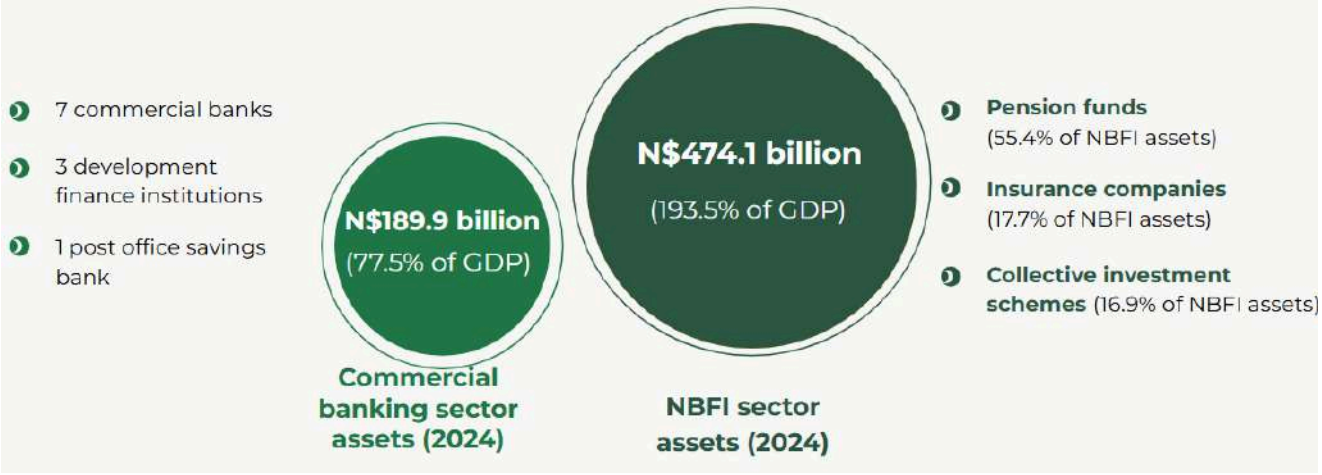
This section presents an assessment of the sustainable finance landscape across Namibia.

3.1.1. Overview of the financial sector and sustainable finance landscape

Namibia's financial sector is well-developed, stable, and the second largest in Southern Africa.[12] The system is characterised by a dual structure, comprising a robust commercial banking sector and a dominant non-bank financial institutions (NBFI) sector. The banking sector, as illustrated in Figure 1 below includes the Bank of Namibia (BoN) as the central bank, seven commercial banks, four development finance institutions and a post office savings bank.[13] In 2024, the total assets of the commercial banking sector reached N$189.9 billion, equivalent to 77.5% of GDP. The commercial banking sector operates alongside the NBFI sector, which is more than double its size, with assets totaling N$474.1 billion in the same period, representing 193.5% of GDP. This sector is dominated by pension funds and insurers, with pension funds alone constituting 55.4% of all NBFI assets.

[12] World Bank (2016) Financial Inclusion in Namibia: Summary Note. Available here
[13] Namibia Ministry of Finance, 'Namibia Financial Sector Transformation Strategy', 2025 (Available here)

Figure 1: Structure of the financial sector[14]



This large pool of domestic capital, held primarily by institutional investors, represents a significant yet largely untapped resource for financing Namibia's sustainable development agenda. Its mobilisation is constrained by a limited pipeline of investment-grade opportunities, unclear incentive structures, and the absence of a national taxonomy to guide fiduciary decision-making. Additional market challenges include shallow capital markets and a lack of diversified asset classes, which has led to a dominant 'buy-and-hold' investment tendency among institutional investors.[15] The lack of a green taxonomy further compounds this issue, as it prevents investors from confidently identifying and investing in a pipeline of credible, large-scale green projects.

Despite the lack of a coordinated framework, the sustainable finance landscape shows clear green shoots and momentum, driven by individual institutional actors. However, it is still a nascent market. Several commercial banks have pioneered green and sustainability bonds on the Namibian Stock Exchange (NSX),[16] while Development Finance Institutions (DFI) have developed tools and facilities to support green finance. Nevertheless, these efforts remain fragmented and difficult to scale, underscoring the need for a national strategy to unlock institutional capital and meet Namibia's climate and development financing needs.[17]

Namibia is actively advancing its journey toward a comprehensive sustainable financial market, reflecting both global commitments and national development imperatives, as highlighted in the following table (Table 4) drawing on best practice indicators from the Sustainable Banking and Finance Network (SBFN).[18] The country's progress can be assessed across several key indicators of progression towards sustainability, for financial markets. A traffic light system is used to rank the indicator's evolution.[19] The analysis table shows a clear, high-level strategic commitment that is now beginning to translate into institutional and market-level action. Notably, Namibia has also secured its place in the global dialogue through key international partnerships as detailed in Table 4.

This strategic direction is firmly anchored in national policy. As highlighted in Table 4, the Financial Sector Transformation Strategy (2025–2035) explicitly names sustainable finance as a core objective, and regulatory actions are beginning to mandate climate risk management by the major

[14] Author's own, developed with data from the Namibia Financial Sector Transformation Strategy.
[15] ibid
[16] ENSAfrica, 'The rise of sustainable finance in Namibia', 2025 (Available here)
[17] Bank of Namibia, 'Feasibility of a Sustainable FInance and Banking Strategy for Namibia', 2024, (Available from BoN)
[18] SBFN, 'Measurement Framework and Methodology', 2021 (Available here)
[19] Green shows good achievement of the indicator, orange highlights partial achievement while red shows limited or non-existent progress.

banking institutions. Furthermore, local DFIs are driving execution, leveraging their Green Climate Fund (GCF) accreditation to channel dedicated finance into climate resilience and green projects. This institutional leadership has spurred nascent product and market innovation. However, the foundational elements of a coherent market still require attention, notably the need for a national sustainable finance taxonomy and standardised definitions.

Table 4: Sustainable Banking and Finance Network Progression Matrix

Progression Indicator	Namibia Situation Analysis	Evolution
International Engagement	**Namibia has key international partnerships**. The BoN is a member of the Network for Greening the Financial System (NGFS) and the Alliance for Financial Inclusion (AFI). The NSX is a signatory to the UN Sustainable Stock Exchanges (SSE) initiative and Marrakesh Pledge.[20]	
National Strategies and Regulations	**Namibia is developing a high-level strategic direction for sustainable finance.** The Financial Sector Transformation Strategy (2025–2035) includes sustainable finance as a key objective, and the BoN has issued "Guidelines on Climate-related Financial Risks." This progress is supported by government policy, such as the 2022 National Integrated Resource Plan (NIRP), which mandates the retirement of the Van Eck coal-fired power station by 2025, creating demand for private capital for renewable energy projects. The government has also signaled its intention through its drafting of the Integrated National Financing Framework, its adoption of a National Climate Change Policy and the recent review of its development plan under NDP6, which highlights external climate finance as a component of international funds intended to support national development goals.	
Definitions, Taxonomy and Standards	**This area represents a gap**. Namibia has not yet developed a national sustainable finance taxonomy or standardised definitions for green and sustainable activities. While the NSX requires sustainability reporting[21], it provides no guidance, leading to inconsistent disclosures.	
ESG Risk Management & Reporting	**Progress is evident at the institutional level but is not yet coordinated across the sector**. The BoN's guidelines now mandate that major banks develop their own climate risk management frameworks.[22]	
Greening DFIs	**Namibia's DFIs are actively engaged**. The Environmental Investment Fund (EIF) has been playing a crucial role by offering green concessional loans and grants for sustainable activities, since its accreditation to the GCF in 2016. The DBN is another key champion, having operationalised a comprehensive Environmental and Social Management System (ESMS). The DBN was recently also accredited to the GCF, enabling it to directly design, submit, and implement large-scale climate projects, reducing reliance on international intermediaries. Agribank continues to channel funds to smallholder farmers and agribusiness MSMEs through their inclusive financial products.	
Incentive Programs	**There are limited broad fiscal or policy incentive programs but signs of progress are emerging**. While some targeted environmental levies on products like vehicles exist, the wider use of incentives like tax breaks or guarantees to de-risk green investments has been identified as a need as it is not yet in place. The country's experience under the National Renewable Energy Policy, and particularly its implementation of the Renewable Energy Feed-In Tariff and Solar Revolving Fund, are positive experiences to build on in designing	

[20] A continental coalition dedicated to fostering green finance in Africa and enabling an effective shift towards a low-carbon economy.

[21] ENSAfrica, 'The rise of sustainable finance in Namibia', 2025 (Available online)

[22] Bank of Namibia, 'Guidelines on Climate-Related Financial Risks and Disclosure Requirements (BIG-5/2025)', 2025 (Available online)

	instruments adapted to the country's needs, such as for energy generation.[23]	
Product and Market Innovation	**The market shows signs of innovation, particularly in the debt capital space**. Several commercial banks and the DBN have successfully issued green and sustainability-linked bonds that are listed on the NSX. These have primarily funded projects in renewable energy and green buildings. Furthermore, the landscape is shaped by Namibia's national ambition to become a global leader in green hydrogen production, a capital-intensive undertaking that will require innovative financing models and presents a significant opportunity to attract international private capital.	

3.1.2. Inclusive green finance landscape

Namibia is widely regarded as the driest country in sub-Saharan Africa, with 92% of its territory classified as semi-arid.[24] At the same time, it also ranks second globally in terms of income inequality.[25] Climate change and its impacts such as recurrent droughts, erratic rainfall have compounded these existing social and environmental issues, limiting the ability of those most at risk to adopt climate-resilient practices. At the same time, Namibia is heavily dependent on imports for its energy supply with 60-70% of electricity being imported, largely from non-clean sources that are coal-intensive. This makes investment in domestic renewable energy not only a climate priority but also a strategic path to energy independence and economic resilience.

An effective Sustainable Finance Strategy (SFS) for Namibia must be anchored in Inclusive Green Finance (IGF), which links climate action with financial inclusion. This approach ensures the transition to a climate-resilient economy is just, equitable, and opportunity-creating, particularly for vulnerable groups such as rural populations and smallholder farmers.

IGF refers to the design and delivery of financial products and policies that simultaneously expand access to finance for underserved populations and promote environmentally sustainable practices.[26] It mobilises resources for climate adaptation, green technologies, and sustainable livelihoods, ensuring that vulnerable groups are not left behind in the green transition.

In Namibia, where rural livelihoods face severe climate risks, IGF provides a pathway to strengthen both climate resilience and financial inclusion, particularly for vulnerable or disadvantaged groups. By adapting financial solutions to groups such as smallholder farmers, women-led MSMES, and other disadvantaged groups. IGF can create opportunities, help unlock investments in climate-smart agriculture, protect households from climate and economic shocks, and align the financial sector with the country's broader sustainability goals.

The Inclusive Green Finance landscape in Namibia reflects persistent gaps in terms of financial participation. While 78% of adults are financially included, (i.e., have access to some sort of formal or informal financial services),[27] access remains uneven in terms of usage, affordability, and quality - particularly for rural households, Micro, Small and Medium Enterprises (MSMEs), and women-owned businesses. MSMEs face systemic barriers, including perceived high risk, limited collateral, and insufficiently tailored financial products.[28]

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[23] Ministry of Mines and Energy. 'National Renewable Energy Policy', 2-17 (Available online)
[24] Hanns Seidel Foundation Namibia. (2015). Fact Sheet on Land Degradation: Implications for Food Security in Namibia.
[25] World Bank 2025) Gini index. Available online
[26] Bank of Namibia, 'Assessing the role of inclusive green finance in promoting sustainable agricultural practices in rural Namibia', 2025
[27] Namibia Statistics Agency, 'Namibia Financial Inclusion Survey (NFIS)', 2017 (Available here)
[28] Namibia Ministry of Finance, 'Namibia Financial Sector Transformation Strategy', 2025 (Available here)

An IGF approach is critical to design financial products and de-risking mechanisms that address these specific barriers. Structural challenges within the financial system also persist. With 64% foreign ownership in the banking sector[29], key decisions are often driven by parent companies abroad, creating potential misalignment with Namibia's local development needs and priorities.

Despite these constraints, nascent progress is visible, with early initiatives pointing to the potential for a coordinated IGF agenda to unlock inclusive, climate-aligned capital flows. One example is the Green Credit Line Facility by the Environmental Investment Fund of Namibia which offers concessional loans, equity, and guarantees to MSMEs and startups for cleaner production, renewable energy, and sustainable agriculture, directly targeting enterprises in rural and off-grid communities.[30]

A notable example for local IGF is Twenty20 Financial Solutions, which has developed an inflation-linked home loan product to close Namibia's housing finance gap. It is worth noting that housing finance is a vital pillar of financial inclusion as it enables long-term asset building and wealth creation beyond basic access to credit**.** By serving middle-income households excluded from traditional mortgages, it expands access to affordable housing and supports long-term wealth creation. Repayments rise with salaries, keeping installments manageable and defaults at zero. Moreover**,** by drawing in pension fund investment, Twenty20 shows how domestic savings can be channelled into impactful, locally relevant opportunities.

A study by the BoN highlights additional opportunities for the development of Namibia's IGF landscape. The report names the following avenues:[31]

- Create a dedicated green finance guarantee facility under Namibia's SME Credit Guarantee Scheme to de-risk lending for smallholder farmers. The national Credit Guarantee Scheme for MSMEs is an example of successful inclusive finance efforts which bring together various banks in the country and the public sector;
- Mobilise public funds, such as the National Youth Fund, to create blended finance structures (e.g., first-loss capital, interest rate subsidies) to scale up green lending where it is most needed
- Scale up climate risk insurance by integrating weather-indexed products into mobile money platforms to enable digital premium payments, remote enrolment, and automated rainfall-based payout triggers
- Develop concessional green loan products for sustainable agriculture, featuring lower interest rates, longer repayment periods (aligned to agricultural cycles), and relaxed collateral requirements;
- Support lenders to integrate environmental sustainability indicators (like composting, reduced pesticide use, water conservation, and renewable technology adoption) into their internal credit scoring models;
- Enable mobile platforms to offer digital savings, input finance, and bundled green loan products tailored to farmers' needs.

[29] Bank of Namibia, "The Namibia Financial Sector Transformation Strategy: 2025-2035', 2025 (Available here)
[30] EIF Namibia, 'Green Credit Line', 2021 (Available here)
[31] Bank of Namibia, 'Assessing the role of inclusive green finance in promoting sustainable agricultural practices in rural Namibia', July 2025

3.1.3. Policy and institutional framework

Namibia's policy and regulatory landscape establishes a comprehensive foundation. While these policies predate and were not designed for modern sustainable finance instruments, they create enabling conditions for sustainable finance by embedding principles of environmental protection, resource stewardship, and inclusive development at every level. The framework mandates sustainable resource use, protects biodiversity, and anchors welfare obligations in the Constitution, while dedicated laws require rigorous environmental assessment and management for development activities.

Revenue-generating environmental levies incentivize waste reduction, and national long-term vision documents - from Vision 2030 to NDP6 - prioritize economic, social, and environmental transformation. Sectoral strategies and action plans further guide biodiversity conservation, empower rural communities to manage natural resources, mitigate human-wildlife conflict, and diversify income streams through regulated concessions. While coverage is broad, certain aspects including climate change adaptation and mitigation policy, water resource management, and green finance regulations could strengthen the framework further

New strategies such as the Sustainable Bioeconomy and targeted resource mobilization enhance national capacity, promote innovation, and direct sustainable investment, ensuring that Namibia will be able to advance a resilient, inclusive, and climate-aligned financial sector.

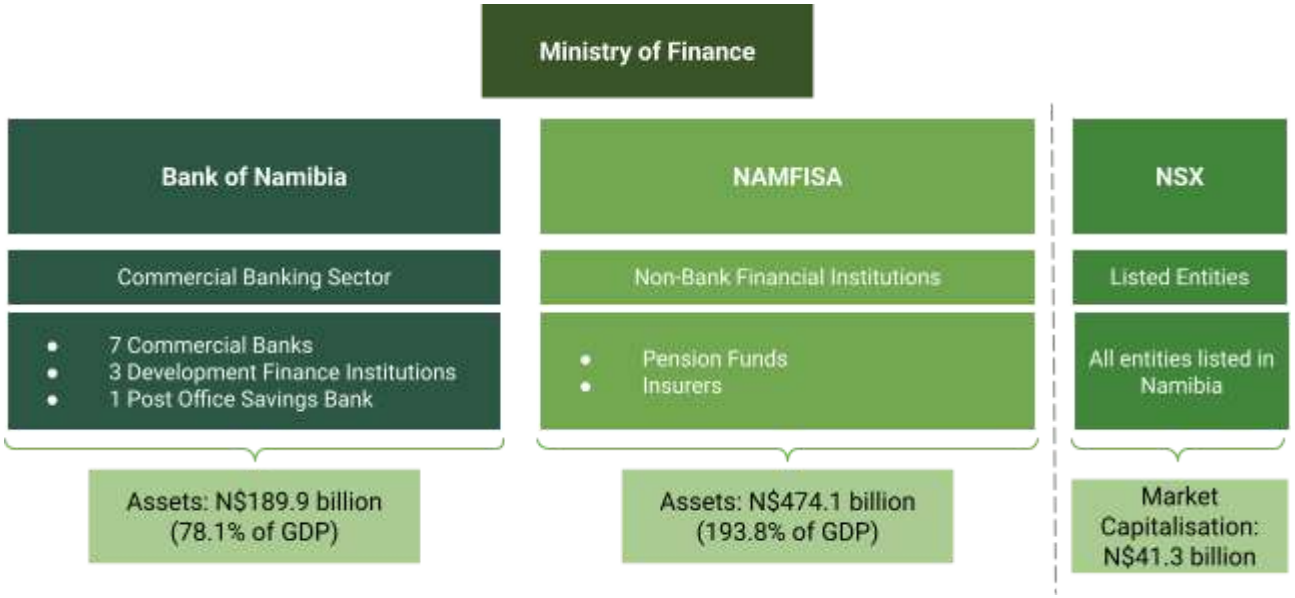
Table 5: Overview of Namibia's environmental and climate law and policies

Policy or regulation	Lead Institution	Impact
Constitution of Namibia, Article 95	Government of Namibia, Ombudsman	Establishes the state's obligation for sustainable resource use, protection of biodiversity, and welfare.
Environmental Management Act (EMA) (No. 7 of 2007)	Ministry of Environment, Forestry and Tourism (MEFT)	Provides legal framework for environmental protection and mandates assessments for listed activities.
Namibia's Nationally Determined Contribution (updated 2021)	Ministry of Environment, Forestry and Tourism (MEFT)	Sets national climate targets for emissions reduction and adaptation, defines priority sectors for climate action, and provides the framework for aligning green finance with national climate commitments.
Environmental Impact Assessments (EIAs) and Environmental Management Plans (EMPs)	MEFT - Directorate of Environmental Affairs (DEA)	Ensures development projects are evaluated for environmental and social impacts, improving sustainability.
Environmental Levies (For example: carbon emissions levy, light bulb levy, plastic bag levy)	Environmental Investment Fund (EIF), MEFT	Generates revenue for environmental initiatives and incentivizes waste reduction and recycling.
Vision 2030	National Planning Commission (NPC), whole government	Long-term policy for economic, social, and environmental transformation to developed nation status.

Sixth National Development Plan (NDP6)	National Planning Commission (NPC)	Blueprint for achieving Vision 2030, covering economic growth, governance, inclusiveness, and sustainability.
National Biodiversity Strategy and Action Plan (NBSAP)	Ministry of Environment, Forestry and Tourism (MEFT)	Guides biodiversity conservation, aligns with global targets, and mainstreams biodiversity in planning.
National Policy on Community-Based Natural Resource Management (CBNRM) (2013)	Ministry of Environment, Forestry and Tourism (MEFT)	Empowers communities for resource stewardship and shares benefits; strengthens rural livelihoods.
National Policy on Human-Wildlife Conflict Management (2009)	Ministry of Environment, Forestry and Tourism (MEFT)	Mitigates conflict, compensates losses, and balances conservation with community needs.
Policy on Tourism and Wildlife Concessions on State Land (2007)	MEFT, with input from Ministries of Justice, Finance, Agriculture, Regional Councils	Regulates concessions to empower local communities, drive revenue, and diversify tourism and hunting.
Namibia Sustainable Bioeconomy Strategy (2024-2029)	National Commission on Research, Science and Technology (NCRST), FAO, MHETI	Integrates bioeconomy into national planning, spurs green innovation, fosters sustainable industries.
Resource Mobilization Strategy for Biodiversity Conservation (2017)	Ministry of Environment, Forestry and Tourism (MEFT)	Enhances capacity to attract and manage conservation funding, supporting biodiversity objectives.

The policy and regulatory environment governing Namibia's financial market is led by the MInistry of Finance (MoF). MoF is responsible for central government finances, including coordination of the national budget, financial markets, consumer legislation and tax policy. Operating under MoF's supervision are the Bank of Namibia, which is responsible for regulation of banks and NAMFISA, being responsible for the oversight of NBFIs. NSX manages locally listed assets. This institutional structure is illustrated in the figure below.

Figure 2: Institutional framework for Namibia's financial sector



Namibia's sustainable finance regulatory landscape is fragmented, showing both proactive intent and legislative delays. The Bank of Namibia is implementing mandatory climate-related financial risk guidelines for DSIBs, driving demand for climate risk capacity and data. However, the non-bank and investment sectors face barriers due to the unoperationalised , creating investor uncertainty and hindering an efficient financial sector.

Across Namibia's corporate sector, ESG principles have been encouraged by the Corporate Governance Code for Namibia, NamCode.[32] In particular, this is covered under Namcode's Directive on Social, Ethics, and Sustainability. Nonetheless, this is largely a "hollow regulation," encouraging ESG disclosure without providing prescriptive, binding standards, which results in inconsistent and non-investor-grade data. This gap in data and application actively hinders sustainable capital allocation. For the financial sector, evolution towards binding guidelines would require the involvement of the primary regulatory bodies for the sector.

Finally, key instruments aimed at local development, such as Regulation 29 of the Pension Funds Act, are currently structured with provisions. Such provisions include short drawdown periods, narrow investment bands and being silent on ESG. This inadvertently acts as a barrier to long-term, sustainable development projects requiring patient capital, highlighting a critical need for regulatory streamlining to unlock the vast potential of the country's large non-bank financial sector.

[32] ENSAfrica, 'Understanding the significance of ESG for corporate directors in Namibia', 2025 (Available here)

The following table highlights the current state of Namibian financial and investment law and policies and their impact on the landscape of sustainable finance.[33]

Table 6: Overview of Namibia's financial and investment law and policies

Policy or regulation	Lead Institution	Impact
Guidelines on Climate-related Financial Risks (for DSIBs) (March 31, 2025)	BoN	These guidelines require Domestic Systemically Important Banks (DSIBs) to establish frameworks for managing both physical and transitional climate risks, improve governance, integrate climate risks into strategic planning, and provide disclosures on their climate-related risk exposures and mitigation strategies. This creates the mandatory demand for climate risk capacity and data within the banking sector.
Financial Institutions and Markets (FIM) Act (2 of 2021)	NAMFISA	The forthcoming operationalisation of this Act, passed in 2021, represents a pivotal opportunity to strengthen Namibia's financial architecture. Its implementation will extend comprehensive market conduct supervision to banking institutions while reinforcing oversight of NBFIs. This will provide the necessary regulatory clarity to bolster investor confidence and is a critical enabler for achieving the NFSTS (2025–2035) Pillar 1 objective of establishing a modern, well-governed, and efficient financial sector.
NamCode Directive on Social, Ethics, and Sustainability Committees	NAMIBIA Securities Exchange	The directive encourages ESG disclosure but lacks prescriptive, binding guidance from the NSX (hollow regulation). This leads to data that is inconsistent, non-comparable, and not 'investor-grade'. This actively perpetuates the core barrier of inadequate data required by the market.
Foreign Investment Act of 1990 (FIA) / Foreign Investment Act of 1993 (FIA)	Ministry of Finance and	While the FIA promotes foreign investment and guarantees equal treatment, fair compensation, and repatriation rights, it also includes provisions that can be perceived as obstacles. Specifically, the government emphasises the need for investors to collaborate with Namibian-owned companies and/or have a majority of local employees. These requirements, though aimed at local development, can act as potential market-distortions for the inflow of capital and expertise for sustainable projects.
Namibia Investment Promotion and Facilitation Bill (NIPFB) / National	Ministry of Finance	Both of these legal instruments are aimed at creating a conducive and enabling business environment but are still in draft form or promulgated but not fully implemented.[34] This legislative inertia creates uncertainty for investors and hinders the establishment of a modern, efficient, and inclusive financial sector, as well as the streamlining of investment procedures

[33] Further detail available in Annex 3
[34] ibid.

Investment Policy		
Regulation 13 of the Pension Funds Act (previously Regulation 28 before 2018)	Ministry of Finance	Regulation 29 (before 2018) was the implementation framework for Regulation 28/13. It established a mandatory allocation to unlisted assets with a minimum of 1.75% and a maximum of 3.5% of Assets Under Management (AUM). This regulation requires a minimum of 35% of pension fund assets to be invested in Namibian assets, a globally ambitious local asset requirement.[35,36,37] While it successfully repatriated some pension savings onshore and contributed to the local asset management industry, it led to investments primarily in local bonds, equities, and cash, rather than necessarily stimulating sustainable development projects directly.
Regulation 15 of the Pension Funds Act (previously Regulation 29 before 2018)	Ministry of Finance	While aiming to supporting local investment from pension funds, it contains several provisions that act as barriers to sustainable investment ● Regulation 29 stipulates that capital commitments lapse if not drawn down within 24 months. This period is seen as too short, as it often takes longer than two years to identify, assess, and execute sustainable investments, leading to lapsed commitments and hindering long-term project development.[38] ● Regulation 29 is silent on ESG issues, meaning there is no legal obligation for financial institutions to meet ESG criteria or adhere to ESG standards. This leads to inconsistent application of sustainability principles, in the particular context where Namibia's banking sector is made up of numerous subsidiaries of regional or international banks, that may be aligning to external guidelines. ● Regulation 29 mandates that both Unlisted Investment Managers (UIMs) and Special Purpose Vehicles (SPVs) must be registered and subjected to high regulatory oversight, which represents the highest level of regulation. This adds significant costs and administrative complexity for fund managers. ● The mandatory investment band of 1.75% to 3.5% of assets under management (AUM) for unlisted assets is considered too narrow for the Namibian market. This represents around N$ 9.2 billion. Pension funds find it challenging to comply due to the illiquid nature and valuation difficulties of these investments, with allocations often breaching the upper limit
Limited permitted investment structures	Ministry of Finance and Public Enterprise	Namibia lacks legislation for more flexible structures like General Partner/Limited Partner (GP/LP) partnerships, commonly used globally, which hampers market development for unlisted and alternative asset classes

[35] Government Institutions Pension Fund, 'Unlisted Investments', 2025 (Available here)
[36] NaSIA, 'Advisory Note: Asset Allocation Requirements for Pension Funds and Long-Term Insurers in Namibia', 2021 (Available here)
[37] NewFinancial, 'Comparing the asset allocation of global pension systems', 2024 (Available here)
[38] SFS Key Informant Interviews, 2025

3.1.4. Alignment with regional and international standards for sustainable finance

In developing Namibia's sustainable finance strategy, it is important to consider regional, continental, and international standards in order to foster alignment, investor confidence, and regulatory effectiveness. However, the SFS must be firmly grounded in Namibia's specific context, priorities, and challenges. While international standards provide valuable frameworks, they should be adapted to ensure relevance to Namibian dynamics and the country's unique bottlenecks in advancing sustainable finance.

International Standards
The SFS's fundamental objective is to contextually integrate consideration of the UN Sustainable Development Goals (SDGs) into Namibia's financial sector. The SFS's fundamental objective is to integrate consideration of the UN Sustainable Development Goals (SDGs) into Namibia's financial sector. The SFS must align with all three Rio Conventions and their national implementation plans:

- The UN Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, supporting the reduction of greenhouse gas (GHG) emissions consistent with Namibia's Nationally Determined Contributions (NDCs)
- The UN Convention on Biological Diversity (CBD), supporting Namibia's National Biodiversity Strategy and Action Plan (NBSAP) and commitments under the Kunming-Montreal Global Biodiversity Framework
- The UN Convention to Combat Desertification (UNCCD), addressing land degradation and drought resilience in alignment with Namibia's national action programmes

Beyond these core UN agreements, the strategy should prioritise alignment with Global Sustainable Finance Standards where they are contextually relevant and support Namibia's sustainable finance objectives, including:

- **Sustainability disclosure:** the SFS must ensure compatibility with the IFRS Sustainability Disclosure Standards (ISSB) (notably IFRS S1 and S2), as they fully integrate the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Namibia will adopt a phased and proportionate approach to implementation, recognizing capacity constraints and ensuring standards are appropriately scaled for the domestic market. This alignment is critical for attracting global capital.
- **Sustainable debt instruments:** the SFS should align guidance with the full suite of principles published by the International Capital Market Association (ICMA) and the Loan Market Association (LMA). This includes:
    - Green Bond Principles (GBP)
    - Social Bond Principles (SBP)
    - Sustainability Bond Guidelines (SBG)
    - Sustainability-Linked Bond Principles (SLBP)
    - Climate Transition Finance Handbook
    - Sustainability Linked Loan Principles (SLLP)

These are the market-leading standards for classification and disclosure of sustainable debt instruments.

- **Financial integrity (AML/CFT):** compliance with Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) regulations is essential to ensure the SFS is robust and maintains market credibility. This is particularly critical as Namibia remains under enhanced monitoring ("greylisting") as of 2024, making financial integrity a non-negotiable priority.

- **Banking supervision and risk management**: the SFS should align with the Basel Committee on Banking Supervision (BCBS) standards to ensure financial stability. This includes the Core Principles for Effective Banking Supervision, which were revised to explicitly address climate-related financial risks. Furthermore, the strategy should incorporate the Basel III Pillar 3 framework for the disclosure of climate-related financial risks. These standards are essential for promoting transparency and ensuring that banks adequately identify, measure, and manage physical and transition risks associated with climate change.

Continental (Africa-wide) Standards

- **Regional commitment:** the Marrakesh Pledge, supported by the NSX, signals a continental commitment to develop and scale up green and sustainable finance markets, offering a guiding political framework.[39]
- **Development benchmarks:** the African Financial Markets Initiative (AFMI) and the African Development Bank (AfDB) sustainability guidelines and green bond principles offer practical, continent-specific benchmarks.[40] These are influential for developing finance strategies that support essential infrastructure, social inclusiveness, and climate resilience projects across Africa.
- **Disclosure & taxonomy:** continental sustainable finance trends, often highlighted by the AfDB and the OECD, emphasise the growing importance of standardising sustainability disclosures, responsible business conduct, and developing sector-specific taxonomies suited to the African context.

Regional Standards for Namibia

- **Market harmonisation**: the Southern African Development Community (SADC) encourages regional harmonisation for regional financial markets. The SFS should reference and contribute to regional best practices on ESG and climate-related disclosures, even though direct SADC standards are still evolving.[41,42]
- **Targeted initiative alignment:** Namibia's alignment should leverage its participation in regional initiatives like the FSD Africa–Committee of SADC Stock Exchanges (CoSSE) partnership programme.[43] This program specifically supports SADC members, including the NSX, in developing a green bond market, building capacity, and adopting climate-related financial reporting. CoSSE has completed a sustainability report to be launched by the end of 2025 - this will need to be reviewed to inform the implementation of the SFS.

[39] ENSAfrica, 'The rise of sustainable finance in Namibia', 2025 (Available here)
[40] AfDB, 'African Financial Markets Initiative', 2025 (Available here)
[41] SADC, 'Capital Markets', 2025 (Available here)
[42] OMFIF, 'How Africa is making sustainable finance matter, 2024 (Available here)
[43] CoSSE, 'CoSSE Member Countries, 2025 (Available here)

3.2 Ongoing sustainable finance efforts in Namibia

This section covers the ongoing efforts, and notably the issue of sustainable finance instruments, ongoing initiatives, emerging green sectors and activities and the state of current sustainable finance flows

3.2.1. Issue and use of sustainable financing instruments

Namibia's sustainable finance market is expanding, with activity concentrated in **thematic bonds**, supported by **grants and concessional lending**, **green loans** and **innovative insurance products** designed to mitigate against climate risks. Some examples of these are shared below:

- **Capital markets:** Bank Windhoek issued a green bond in 2018,[44] and the country's first Sustainability-linked Bond in 2025[45] that financed dozens of projects in renewable energy, sustainable agriculture, and biodiversity conservation. FNB, supported by RMB, issued its green bond in 2022,[46] followed by Standard Bank in 2022.[47] More recently, Letshego, in partnership with RMB, introduced Namibia's first social bond, focused on advancing financial inclusion through investments in affordable housing, healthcare, and education.[48]

- **Bank lending products:** commercial banks have introduced dedicated green and sustainability-linked loans. Bank Windhoek's **sustainability loan** finances projects with environmental or social benefits, ensuring proceeds from its sustainability bond are deployed across multiple smaller projects. Standard Bank offers **green loans** for climate-smart agriculture and renewable energy, while Nedbank **integrates renewable energy finance into its agricultural** client value proposition.

- **Public concessional finance:** The EIF is the main domestic channel for grants and green concessional loans. Its portfolio supports projects in natural resource management, low-carbon development, recycling and waste management, eco-tourism, and community-based climate adaptation. DBN mobilises concessional finance directed to renewable energy, water, and low-carbon infrastructure. Its accreditation with the GCF further enables it to blend concessional resources with commercial lending to de-risk and scale climate investments. Several other institutions, including Bank Windhoek, AgriBank and the Namibia Nature Foundation are also seeking GCF accreditation. Agribank leverages funds to extend affordable credit to smallholder farmers and agribusiness MSMEs. Targeted schemes, such as biomass value chain financing, promote climate-smart agriculture and rural financial inclusion.

- **Insurance innovation.** The Namibia Special Risk Insurance Association (NASRIA) has developed **weather-index-based livestock insurance (WIBLI)**, a promising product designed to protect farmers against droughts and floods.[49] The product has been developed but is awaiting government funding to be launched.[50]

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[44] Bank Windhoek, 'Bank Windhoek issues first Green Bond', 2018 (Available here)
[45] Bank Windhoek, 'Bank Windhoek lists Namibia's first Sustainability Bond', 2021 (Available here)
[46] RMB, 'RMB assisted FNB Namibia in raising N$353m in inaugural green bond', 2022 (Available here)
[47] Standard Bank, 'We've Just Raised N$400m in Our Debut Green Bond Issuance', 2022 (Available here)
[48] The Namibian, 'Letshego's social bond raises N$322m', 2025 (Available here)
[49] NASRIA, 'Namibia Special Risks Insurance Journal 2023-2024', 2024 (Available here)
[50] According to stakeholder consultations

3.2.2. Ongoing initiatives in sustainable finance

Namibia's transition to sustainable finance is supported by a broad coalition of actors, each contributing in distinct ways. Five main categories stand out: institutional actors, development finance institutions, financial institutions, the capital market, and industry associations. Across these groups, initiatives converge around four impacts that capture their direct and indirect impacts on the financial ecosystem. These are:

1. **Guiding lending**: initiatives that establish the frameworks, taxonomies, and risk-management tools needed to define what qualifies as green or sustainable finance. These can be sector-wide or internally developed by institutions to shape lending and investment decisions. Examples include the Development Bank of Namibia's Sustainable Finance Framework, the Social Security Commission's internal taxonomy, the NSX's green bond standards, and NaSIA's ESG guidelines.
2. **Financing the green transition**: Initiatives and actors that mobilise, structure, and channel public and private capital into green projects through instruments such as concessional loans, grants, credit lines, and direct investments. This also covers reforms that create the enabling infrastructure for sustainable investment. Examples include the EIF's Green Impact Facility, AFD's SUNREF green credit line, pension fund (GIPF) investments, commercial banks' green and sustainability bonds, and the forthcoming Central Securities Depository (CSD).[51]
3. **Building a pipeline**: Initiatives designed to generate bankable projects and strengthen deal flow by supporting SMEs, startups, and specific green sectors to become investment-ready. Examples include the SSC's funding for SMEs and startups, CCFAH's advisory support for project preparation, IGPF's blended finance loans to SMEs, and UNDP's BIOFIN programme promoting nature-based initiatives.
4. **Addressing the skills gap**: Initiatives focused on strengthening human and institutional capacity across the financial sector through technical assistance, training, governance support, and embedding advisors within institutions. Examples include CCFAH embedding a national advisor for project proposal design, NaSIA's sector-wide skills gap analysis, and GIs's capacity-building support for MSMEs.

The table below offers an overview of these actors and their contributions, with detailed descriptions of individual initiatives provided in the Annex 1.

[51] The Central Securities Depository (CSD) is expected to launch next year.

Table 7: Overview of actors and impact on the financial ecosystem

Categories of actors	Actors	Guide lending	Finance the green transition	Build a pipeline	Address the skills gap
Institutional actors	Development Bank of Namibia	✔	✔		
	EIF		✔		
	SDG Namibia One *Blended Finance Facility under EIF*		✔		
	Green Impact Facility *Blended Finance Facility under EIF*		✔	✔	
	Social Security Commission	✔		✔	✔
	Agribank		✔		
Development Finance Institutions	Commonwealth Climate Finance Access Hub (CCFAH)				✔
	GIs		✔		
	United Nations Development Programme (UNDP)				✔
	French Development Agency (AFD)	✔			
Financial institutions					
Banks	Nedbank	✔	✔		✔
	Bank Windhoek		✔		
	Standard Bank	✔			
	FNB	✔			
	Letshego	✔			
Insurance companies	Momentum		✔		
	Santam	✔	✔		✔

	Sanlam	✔			
Asset and Investment Management companies	Allan Gray	✔	✔		
	Business Financial Solutions (BFS)		✔	✔	
Pension Funds	Government Institutions Pension Fund (GIPF)		✔		
Capital market[52]	FSD Africa and the Committee of SADC Stock Exchanges (CoSSE)	✔	✔		
	Namibia Securities Exchange (NSX)	✔	✔		✔
Industry associations	Namibia Savings and Investment Association (NaSIA)	✔			✔

[52] ENSAfrica, 'The rise of sustainable finance in Namibia', 2025 (Available here)

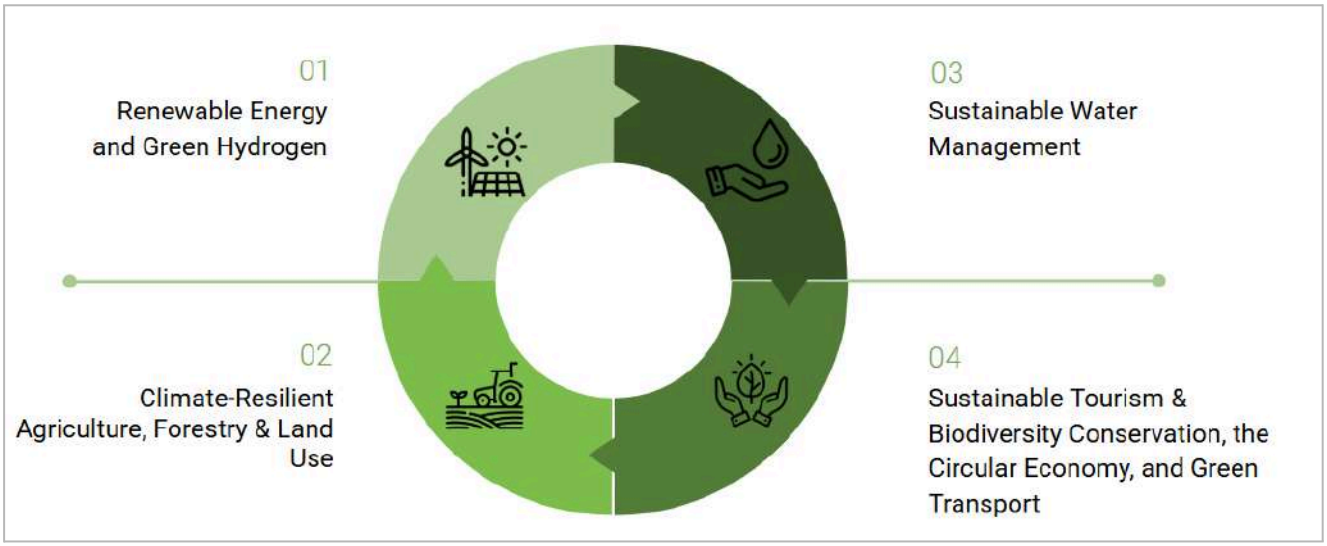
3.2.3. Defining green sectors & activities

Namibia's transition to a sustainable and inclusive economy is driven by a set of priority sectors that together shape the country's green growth path.

1. **Renewable energy and green hydrogen** stand at the forefront, using Namibia's world-class solar and wind resources to fuel global green markets and support new industries, while driving development in adjacent industries.
2. **Climate-resilient agriculture, forestry, and land use** remain essential for livelihoods, food security, and both climate mitigation and adaptation, while
3. **Sustainable water management** is the key enabler in this arid nation. Securing water through conventional and non-conventional means (large-scale desalination) is essential for the viability of all other sectors.
4. A wider cluster of sectors — including **sustainable tourism & biodiversity conservation, the circular economy, and green transport** — are key growth vectors that can broaden the economic base, enhance resilience and create jobs.

These sectors are not standalone pillars but interconnected drivers: water enables energy, energy underpins industrialisation and agricultural resilience, and together they create powerful multiplier effects for investment. The effectiveness of Namibia's SFS will depend on attracting large-scale, long-term international partnerships, executing mega-projects with discipline, and ensuring that economic benefits are shared equitably to foster social and political stability.

Figure 3: Namibia's Green Sectors[53]



The following table provides a rapid summary of each priority sector, presenting (1) a definition and key focus areas, (2) the policy and regulatory framework shaping its development, (3) a snapshot of current investment flows, and (4) opportunities for investors over the short (1–3 years), medium (3–10 years), and long term (10+ years). These timeframes reflect the progression from current foundational projects to the scaling of new industries and the long-term vision set out in sectoral strategies. A more detailed analysis of the overview provided in Table 8 below is available in Annex.

[53] Further information on these sectors is available in Annex 5

Table 8: Detailing priority green sectors, supporting frameworks and investment

Definition	Policy and regulatory framework	Current investment flows	Investment potential
Renewable Energy and Green Hydrogen			
Namibia's energy transition strategy focuses on two areas: • The **expansion of utility-scale solar and wind power generation** to meet growing domestic energy needs, reduce dependence on imports, and lower costs; • The **development of a globally competitive green hydrogen industry**[54] for domestic use and export, including derivatives such as green ammonia and synthetic fuels.	Policy measures include the **National Renewable Energy Policy,** which targets 70% renewables by 2030;[55] the **Renewable Energy Feed-in Tariff (REFIT)** programme, which ensures predictable returns for producers;[56] and the **Green Hydrogen and Derivatives Strategy**, aiming for 10–12 million tonnes per year by 2050 with shared infrastructure to cut costs.[57] A new **Synthetic Fuels Act** will establish a legal framework for green fuels,[58] while NDP6 positions hydrogen as a growth driver with 30,000 jobs and 143 GWh of green baseload power by 2030.[59]	Financing is anchored in **Foreign Direct Investment (FDI)**, driven by the Hyphen Hydrogen Energy project.[60] Development partners such as the EU, Germany,[61] the World Bank,[62] and KfW[63] support grid upgrades, concessional finance, and pilot projects. In terms of **domestic finance**, NamPower co-finances projects alongside international lenders[64] and commercial banks issue green and sustainable bonds.[65]	**Short term (1–3 years):** secure Final Investment Decisions (FIDs), advance pilot projects (Hylron, Daures), expand solar plants, and build enabling infrastructure (transmission lines, port upgrades, and battery storage). **Medium term (3–10 years):** beginning of hydrogen and ammonia exports by 2026 - scale renewable capacity to meet the 70% target, and expand local supply chains. **Long term (10+ years):** Support the development of downstream industries (green steel, fertilisers, synthetic fuels), while achieving energy independence and exporting surplus electricity to the

[54] Green hydrogen is produced through electrolysis using renewable electricity and can be used directly or converted into derivatives such as green ammonia and synthetic fuels for both domestic use and export.
[55] Ministry of Mines and Energy, 'National Renewable Energy Policy', 2017 (Available here)
[56] International Energy Agence (IEA), 'Namibia Feed-in Tariff', 2015 (Available here)
[57] Government of the Republic of Namibia, 'Green Hydrogen and Derivatives Strategy', 2022 (Available here)
[58] Cliffe Dekker Hofmeyr, 'Namibia's green hydrogen legislative framework: the proposed synthetic fuels act', 2025 (Available here)
[59] National Planning Commission , Namibia's Sixth National Development Plan (NDP6), 2025 (Available here)
[60] Green Hydrogen Organisation, 'GH2 Country Portal – Namibia', Accessed in September 2025 (Available here)
[61] Green Hydrogen Organisation, 'GH2 Country Portal – Namibia', Accessed in September 2025 (Available here)
[62] World Bank Group, 'World Bank Loan to Namibia Supports Renewable Energy Integration', 2024 (Available here)
[63] German Embassy Windhoek, 'Development Bank of Namibia and Germany support climate-related infrastructure development in Namibia', 2023 (Available here)
[64] ESI Africa, 'Namibia: Largest solar energy project breaks ground', 2025 (Available here)
[65] Windhoek Observer, 'Banks invested N$980M in bonds', 2024 (Available here)

Definition	Policy and regulatory framework	Current investment flows	Investment potential
			Southern African Power Pool (SAPP) and international markets.
Climate-Resilient Agriculture, Forestry and Sustainable Land Use			
This sector focuses on making agriculture, livestock, and forestry more productive and resilient under climate stress while reducing environmental impacts. Priorities include climate-smart agriculture (CSA), sustainable rangeland management, agroforestry and afforestation, biomass utilisation from encroacher bush, and the commercialisation of indigenous natural products (INPs).	The **National Agricultural Policy**,[66] **Long-Term Low Emissions Development Strategy (LT-LEDS)** and the **NDC** emphasise food security, sustainable resource use, resilient value chains, and large-scale land restoration. Together, these measures could cut over 14,400 $ktCO_2e$ by 2050.[67] The **NDP6** reinforces these goals, prioritising resilient agricultural value chains and climate-smart, water-efficient, and energy-efficient production systems.[68]	Agriculture and land use are major recipients of adaptation finance, supported by **multilateral and bilateral partners (**FAO, GIs, AFD, the GCF, and GEF). **Domestic financing** is provided through the EIF, Bank Windhoek's sustainability loans and Agribank's biomass scheme.	**Short term (1–3 years):** scale proven CSA practices, including commercialising failing Green Schemes,, expand biomass value chains, and strengthen INP markets. **Medium term (3–10 years):** invest in agro-processing facilities, carbon farming, and water-efficient irrigation to boost yields and local value-addition. **Long term (10+ years):** support the production and exportation of sustainable products (organic, fair-trade, low-carbon), restore rangelands as carbon sinks, and support the production of green fertiliser, in sync with the hydrogen economy.
Sustainable Water Resource Management			
This sector covers the integrated management of conventional sources	The **Water Resources Management Act (2013)**[69] and **National Water Policy**	Water is a major recipient of public and concessional finance. In terms of	**Short term (1–3 years):** support major desalination plants at Wlotskasbaken

[66] Ministry of Agriculture, Water and Forestry, Namibia Agriculture Policy (NAP), 2015 (Available here)
[67] United Nations Development Programme (UNDP), Namibia's Long-Term Low-Emission Development Strategy: A Strategic Policy Shift for Climate-Resilient Economic Development', 2025 (Available here)
[68] National Planning Commission , Namibia's Sixth National Development Plan (NDP6), 2025 (Available here)
[69] Republic of Namibia, 'Water Resources Management Act 11 of 2013', 2013 (Available here)

Definition	Policy and regulatory framework	Current investment flows	Investment potential
(dams, rivers, aquifers) and non-conventional sources (desalination, reclamation, reuse).	**White Paper**[70] establish the legal and policy framework. The **NDP6** targets an expansion of bulk water capacity from 1,608 to 2,100 million m³ by 2030, with diversification of sources.[71]	**domestic funding**, the government allocated N$4.8 billion to water and sanitation projects in the 2025/26 budget.[72] This is complemented by AfDB[73] and KfW[74] concessional loans. **Public-Private Partnerships (PPPs)** are promoted for large projects, especially desalination plants to supply mines, industry, and green hydrogen hubs.[75]	and Lüderits, alongside bulk pipelines under the Water Sector Support Programme II. **Medium Term (3–10 years):** modernise infrastructure, roll out smart water technologies (SCADA systems, sensors, data analytics), and expand wastewater reuse in Windhoek and coastal towns. **Long term (10+ years):** support mega-projects such as the Okavango Link Pipeline to help achieve full water security, potentially positioning Namibia as a leader in arid-land water management.
Sustainable Tourism & Biodiversity Conservation, the Circular Economy, and Green Transport			
Sustainable Tourism & Biodiversity Conservation			
Sustainable tourism is one of Namibia's most established sectors, built on a high-value, low-impact model that links conservation with livelihoods. The	Tourism strategies (**National Tourism Investment Profile & Promotion Strategy 2016-2026**[77] and the **National Sustainable Tourism Growth &**	The industry is rebounding strongly post-pandemic: hotel occupancy has surpassed pre-COVID levels, visitor	**Short term (1–3 years):** expand eco-lodges, upgrade facilities, and develop niches such as adventure,

[70] Ministry of Agriculture, Water and Rural Development, National Water Policy White Paper', 2000 (Available here)
[71] National Planning Commission , Namibia's Sixth National Development Plan (NDP6), 2025 (Available here)
[72] Agri Transform, 'Namibia has allocated N$ 4.8 billion for water and sanitation projects for the 2025/26 financial year', 2025 (Available here)
[73] SA News, Namibia pledges billions to expand water and sanitation access', 2025 (Available here)
[74] Smart Water Magazine, 'Namibia secures €75 million loan for transformative water infrastructure projects', 2025 (Available here)
[75] The Namibian, 'Water dominates PPP projects', 2021 (Available here)
[77] Ministry of Environment and Tourism, 'National Tourism Investment Profile & Promotion Strategy 2016-2026', 2016 (Available here)

Definition	Policy and regulatory framework	Current investment flows	Investment potential
Community-Based Natural Resource Management (CBNRM) programme gives communities rights to manage wildlife through conservancies, generating income while driving significant wildlife recoveries and earning global recognition as best practice.[76]	**Development Strategy 2016-2026**[78]) identifies key focus areas (wildlife, coastal, cultural, adventure, cruise, and MICE[79] tourism) while promoting private investment, community ownership, empowerment, and sustainability. Incentives range from tax holidays and duty exemptions to grants, soft loans, and fast-tracked approvals, with added support for training and joint ventures.	numbers are growing, and spending is rising, creating jobs and attracting FDI.[80]	wellness, cruise, and astrotourism.[81] **Medium term (3–10 years):** launch carbon-offset tourism products[82] and strengthen climate adaptation to protect ecosystems. **Long term (10+ years):** further upgrade ecotourism products, as well as conservation.
Circular Economy			
Namibia's circular economy sector is emerging as a shift from the linear "take–make–dispose" model toward recycling, reuse, repair, and regeneration.[83]	The **National Solid Waste Management Strategy**[84] and **NDP6**[85] set the framework, with a goal to embed circular economy principles across all resource management policies by 2027 and integrate 14% of national waste streams into circular processes by 2030.	Momentum is growing through **private initiatives** like Coca-Cola Beverages Africa's PET flaking plant[86] and Plastic Packaging's recycling facilities.[87] A **PPP** covered the Otjiwarongo's integrated wastewater and solid waste project,[88]	**Short term (1–3 years):** expand basic waste collection, sorting, and processing infrastructure for plastics, glass, and e-waste. **Medium term (3–10 years):** scale "waste-to-value" industries (bioenergy,

[76] Discover Africa, 'All You Need to Know About Eco-Tourism in Namibia', 2024 (Available here)
[78] Ministry of Environment and Tourism, 'The National Sustainable Tourism Growth & Development Strategy 2016-2026', 2016 (Available here)
[79] Meetings, Incentives, Conferences, and Exhibitions
[80] Namibia Investment Promotion & Development Board (NIPDB), 'Tourism & Sport', accessed in September 2025 (Available here)
[81] World Tourism Organisation, 'Tourism Doing Business – Investing in Namibia', 2025 (Available here)
[82] International Institute for Sustainable Development, 'Eco-tourism and the informal carbon market: Is the climate right for change?, 2009 (Available here)
[83] The Brief, 'Namibia's green transition: How a circular economy can bolster climate action', 2024 (Available here)
[84] Ministry of Environment and Tourism, "National Solid Waste Management Strategy for Namibia', 2017 (Available here)
[85] National Planning Commission , Namibia's Sixth National Development Plan (NDP6), 2025 (Available here)
[86] African Business, 'Launch of cutting-edge recycling facility in Namibia', 2024 (Available here)
[87] Namibia Trade Network, 'Namibia Polymer Recyclers (NPR)', accessed in September 2025 (Available here)
[88] African Development Bank, 'Namibia - City of Otjiwarongo Waste Water Treatment And Solid Waste Management System PPP Transaction Advisers - IPR Avril 2024', 2024 (Available here)

Definition	Policy and regulatory framework	Current investment flows	Investment potential
		Development Partners involved include the African Water Facility supporting advisory work for a wastewater treatment and waste-to-energy plant in Otjiwarongo,[89] the EU financing a buy back centre in Windhoek,[90] and UNDP's Small Grants Programme backing a rural Erongo recycling initiative linking waste management to biodiversity protection.[91]	compost, mineral recovery, and recycled building materials. **Long term (10+ years):** develop industrial symbiosis parks linked to green industrial hubs, creating a fully integrated circular economy ecosystem.
Green Transport			
Namibia is transitioning from heavy reliance on imported fossil fuels toward low-carbon transport, starting with electric vehicles (EVs) for passenger and light commercial use and moving to green hydrogen for heavy-duty applications in mining, logistics, and rail.	The **LT-LEDS** targets 200,000 EVs by 2030, nationwide charging infrastructure, electrified urban transport, and hydrogen fuels for heavy transport.[92]	The **GCF** and **DBN** are driving the rollout of electric buses in Windhoek through the Move Windhoek Project[93] and the "eMobility Windhoek" initiative[94] to green public transport.	**Short term (1–3 years):** install EV charging stations in major cities, corridors, and tourist routes. **Medium Term (3–10 years):** Develop PPPs to electrify public transport fleets, especially in Windhoek, and expand financing and leasing solutions for EV adoption by fleet operators and private users. **Long term (10+ years):** decarbonise heavy transport with hydrogen-powered trucks and trains, with pilot projects already underway.

[89] African Water Facility, 'African Water Facility approves €1.3 million for the Development of Wastewater Treatment and Waste to Energy Plants in Otjiwarongo, Namibia', 2023 (Available here)
[90] Namibia Economist, 'Windhoek unveils first waste buyback centre: Turning trash into treasure', 2024 (Available here)
[91] The GEF Small Grant Programme, 'Enhancing Waste Management in Rural Erongo', (Available here)
[92] United Nations Development Programme (UNDP), Namibia's Long-Term Low-Emission Development Strategy: A Strategic Policy Shift for Climate-Resilient Economic Development', 2025 (Available here)
[93] Xinhua, 'Namibia's capital to roll out electric buses for greener transportation', 2025 (Available here)
[94] All Africa, 'Namibia: City to Pilot Low Carbon Public Transport Buses', 2025 (Available here)

3.2.4. Current sustainable finance flows

Sustainable finance in Namibia is supported by a diverse mix of international, regional, and domestic sources. A consolidated overview of major flows is presented in **Table 9**, which summarises commitments by source, instrument, intermediary, and sectoral allocation.

The current landscape shows several important trends:

- **International and Development Finance dominate.** The majority of flows come from international actors — including bilateral donors, climate funds, and development finance institutions. Concessional sources such as the Green Climate Fund, SUNREF, and bilateral grant programmes provide below-market funding that de-risks projects and supports adaptation. Alongside this, development finance institutions like DBN, AfDB, KfW, and the World Bank mobilise loans, guarantees, and blended instruments that catalyse larger investment in renewable energy, water, agriculture, and low-carbon transport. Together, these concessional and institutional flows underpin Namibia's current sustainable finance ecosystem.
- **Private capital is emerging.** Namibia's bond market is showing strong appetite for green and social instruments, with oversubscription of sustainability-linked bonds issued by commercial banks and other financial institutions. These developments highlight growing investor confidence, though the absolute scale remains small relative to concessional sources. Impact and venture capital is also gaining traction as a niche but important player, supporting early-stage businesses and climate-smart innovation, particularly in agriculture, renewable energy, and green supply chains.
- **Domestic finance is beginning to scale.** Public finance plays an important role, with the national budget allocating resources to water and environmental programmes, and the Environmental Investment Fund (EIF) funding core environmental and community-based projects. At the same time, NamPower and local commercial banks are co-financing renewable energy projects and piloting sustainability loans. Pension funds and asset managers have also begun to allocate to sustainable assets, though these allocations remain modest compared to potential.
- **Namibia's sustainable finance flows are heavily concentrated in the energy sector**, with a strong focus on green hydrogen and renewable power, revealing a dual-track strategy that links global green hydrogen ambitions (long-term, global strategy) with domestic industrial transformation (shorter-term, domestic focus). Other sectors such as agriculture, water, and green buildings are emerging as smaller but strategic priorities, and reflect a gradual diversification of sustainable finance flows.
- **Sectoral alignment is clear.** Flows are largely directed toward the priority sectors identified in Section 3.1.5: renewable energy and green hydrogen, climate-resilient agriculture and land use, sustainable water management, and emerging opportunities in circular economy, transport, and ecotourism.

Table 9: Sustainable Finance Flow Overview[95]

	Source of Capital	Recipient/Implementer	Instrument Type	Value (NAD)	Target Sector/Use of Proceeds
Public capital	Government of Namibia	Ministry of Environment, Forestry, and Tourism (MEFT)	Budget	797.6 million	Environment
Development finance	AfDB	DBN	Concessional Loan	1.5 billion	Renewable Energy, Agriculture, WSMEs
	KfW	DBN	Concessional Loan	600 million	Renewable Energy, Water, Transport
	World Bank	NamPower	MDB Loan	2.4 billion	Grid Infrastructure, Energy Storage
	CIF	Government of Namibia	Blended Finance/Grant	4.5 billion	Green Hydrogen, Green Industrialisation, Critical Minerals
	EU	SDG Namibia One Fund	Equity/Grant Investment	447.9 million	Green Hydrogen
	German Government (BMWK)	Namibia Green Hydrogen Programme	Grant	692.3 million (up to)	Green Hydrogen
	Germany, the Netherlands	Hylron green iron project	Blended finance	551.8 million	Green hydrogen
	GCF, AFD, Invest International	EIF	Grant, credit line	3.6 billion	Renewable energy
	KfW	NamPower	Concessional loan	1.3 billion	Renewable energy
	KfW	DBN	Concessional Loan	240 million	Renewable Energy
	RMB / DFIs (Swedfund, IFU)	Sturdee Energy	Project Finance Loan	499 million	Renewable Energy
	MIGA (World Bank Group)	Ejuva One & Two Solar Projects	Guarantee	217 million	Renewable Energy
	EIF / GCF	Community-based Organisations	Grant	120 million	Ecosystem-based Adaptation
Capital market	FNB Namibia Bond Investors	FNB Namibia	Sustainability bond	500 million	Renewable Energy, Social Infrastructure, Financial Inclusion
	FNB Namibia Bond Investors	FNB Namibia	Green Bond	353 million	Green Buildings, Renewable Energy
	Bank Windhoek Bond Investors	Bank Windhoek	Green Bond	66 million	Renewable Energy

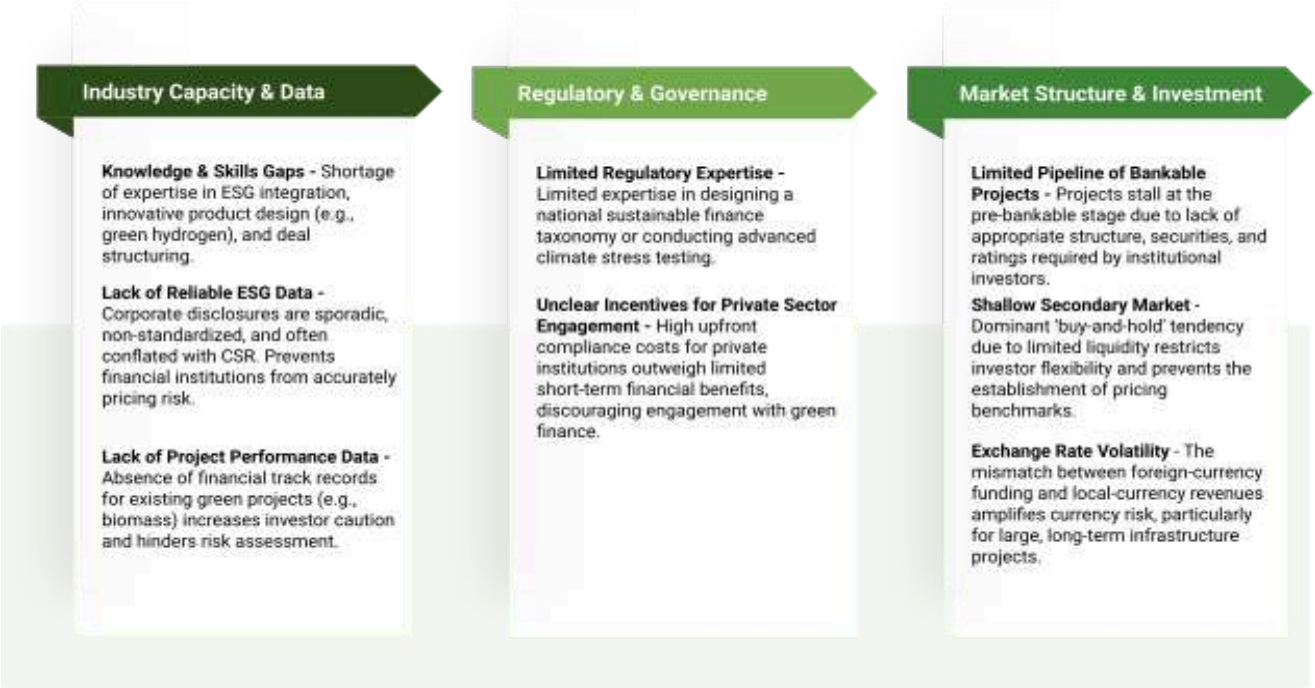
[95] Figures in this table are compiled from project appraisal reports, investors' websites, official press releases, specialised websites and credible news sources.

	Bank Windhoek Bond Investors	Bank Windhoek	Sustainability-Linked Bond	250.5 million	Renewable energy, Energy efficiency, Green buildings, Sustainable waste management, Sustainable agriculture and tourism, Healthcare, Education
	Letshego, RMB	Letshego, RMB	Social bond	322 million	Affordable housing, healthcare, education
Impact and venture capital	European donors	Climate Investor Three (CI3)	Blended finance	2.9 billion (committed)	Energy transition and green hydrogen
	EOS Capital Investors	Euphrates Fund	Private Equity	90 million - First Close	Sustainable Agriculture, Water Management

3.3 Identification of barriers

Drawing from literature, multi-stakeholder consultations and a recent industry survey that was conducted by BoN, this section identifies the most significant systemic and practical challenges constraining the development of a robust and credible sustainable finance market in Namibia. These barriers, spanning regulatory capacity, industry expertise, and market infrastructure, collectively present hurdles that must be addressed to effectively redirect capital towards national sustainability priorities.

Figure 4: Identified barriers for Sustainable Finance Strategy



3.3.1 Industry capacity and data

Knowledge and skills gaps

The transition of Namibia's financial sector toward sustainability is constrained by limited institutional capacity and a shortage of relevant skills. Financial institutions often lack the knowledge and technical expertise needed to comprehend and integrate sustainability considerations into core operations, risk management, and product design.[96]

This challenge was highlighted in the 2024 survey of financial institutions, which revealed both foundational and practical gaps across the industry. Respondents noted that sustainable finance remains a relatively new field, with limited understanding of core concepts, international mechanisms such as carbon markets, and the processes involved in originating, packaging, and implementing green finance transactions.

[96] Bank of Namibia, 'Feasibility of a Sustainable FInance and Banking Strategy for Namibia', 2024, (Available here)

Beyond this, there is a critical deficit in hands-on experience, particularly in product development and deal structuring. This applies particularly to emerging asset classes such as green hydrogen, and the new opportunities within oil and gas, where a lack of track record constrains effective risk evaluation, highlighting the need for specialised risk mitigation instruments. Finally, there is a limited understanding of green investments' long-term impact and potential returns.

Stakeholder consultations confirmed these findings, highlighting the need for targeted training in practical skills such as ESG integration in credit analysis, structuring innovative green finance products, and assessing social/environmental impacts. More advanced needs include green project modelling, deploying new technologies like drones for agricultural risk assessment, and improving data systems for sustainability reporting. Stakeholders also emphasised the shortage of local expertise for tailored advisory support to financial institutions.

To address these gaps, survey respondents and stakeholders converged on the importance of establishing a dedicated, specialised body to act as a market catalyst. Such an entity could expand access to financial instruments, provide technical expertise that goes beyond the mandate of individual institutions, and ensure the market remains informed about evolving global standards and practices. Complementing this, there is strong demand for targeted, practical training programmes designed to address identified skills gaps, particularly around risk assessment for green technologies and the structuring of innovative sustainable finance products.

Lack of reliable ESG data for financial institutions

The integration of sustainable finance in Namibia is also fundamentally constrained by the lack of reliable, verifiable ESG data.[97,98] Financial institutions face an information asymmetry that prevents them from accurately pricing risk or confidently channelling capital to sustainable investments. Corporate disclosures remain sporadic, unverified, and rarely meet "investor-grade" standards comparable to traditional financial reporting. Moreover, ESG reporting is often conflated with discretionary Corporate Social Responsibility (CSR) activities, emphasising philanthropy while omitting financially material indicators such as water usage or emissions. This weakens genuine risk management, fuels perceptions of greenwashing, and undermines investor trust.

Thematic imbalances further distort the landscape. Environmental factors dominate reporting, while material social and governance issues, especially critical in Namibia's context of deep inequality, are overlooked. These gaps are reinforced by weak regulation - although the NamCode requires listed companies to publish sustainability reports, it provides no clear standards or guidance.[99] In practice, this enables companies to satisfy the rules with minimal, non-standardised disclosures, undermining the usefulness of the data and stalling the development of a credible sustainable finance market.

Stakeholder consultations underscored the importance of strengthening ESG reporting and transparency. They also expressed the need for clearer requirements and more standardised processes, supported by independent audit or review mechanisms, to give investors greater confidence in the sustainability credentials of projects. Improving the quality and comparability of ESG data would help reduce information gaps, enhance trust, and support the mobilisation of both domestic and international capital into Namibia's green transition. At the same time, stakeholders called for simplified reporting templates, noting that current requirements are often perceived as cumbersome and time-consuming.

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[97] *ibid.*
[98] Namibia Ministry of Finance, 'Namibia: Gender- Responsive Integrated National Financing Strategy'. 2023
[99] Sustainable Stock Exchanges Initiative,'Namibian Stock Exchange', 2025 (Available here)

While improving reporting is essential, regulators need to remain mindful of the costs, processes and mechanisms required for implementation. For example, the IFRS S1 and S2 standards require auditors and assurance providers to conduct checks alongside financial statements. However, these standards were developed primarily within the accounting profession, creating a relatively closed system. These standards are more costly to comply with than others, and given the shortage of auditors, achieving full compliance would be extremely challenging and costly in practice.

Lack of project performance data for financial institutions

Stakeholders engaged raised the absence of reliable performance data on existing green projects. Funders are not necessarily required to publicly disclose information on the financial outcomes of projects, leaving new investors without the evidence they need to assess risks and returns. This lack of transparency makes investors cautious, particularly in sectors such as biomass, where track records are limited, and it reinforces historical perceptions — for instance, doubts about the durability of earlier solar projects — that technologies may not deliver as expected.

Stakeholders also emphasised the need for more applied research, as well as systematic sharing of results and financial performance data from existing green investments. Clearer communication and evidence of profitability and viability would help reassure investors, build confidence, and lower the barriers to financing emerging green sectors.

3.3.2 Regulatory and Governance

Limited regulatory expertise

An additional barrier to effectively implementing a SFS is the lack of specialised technical expertise within Namibia's financial sector regulators—BoN and NAMFISA. This would limit their ability to effectively steer and supervise the market's transition. The two most pressing weaknesses are in:

1. **designing, rolling out, and overseeing a national sustainable finance taxonomy.** This capacity gap is fundamental: without a robust taxonomy, the market lacks clear and credible rules for classifying "green," "social," and "transition" activities. In turn, this undermines investor confidence, exposes the system to greenwashing risks, and prevents the effective alignment of capital flows with Namibia's strategic priorities.
2. **implementing and monitoring advanced climate risk models**. This is a critical weakness, as BoN has already issued binding "Guidelines on Climate-related Financial Risks" and committed to integrating climate stress testing into its financial stability mandate. Without the tools and skills to conduct scenario analysis and stress tests, regulators cannot adequately gauge the resilience of financial institutions or the system as a whole under different climate scenarios. This leaves potential systemic risks from unmanaged climate shocks unidentified and unaddressed.

Unclear incentives for private sector engagement

For Namibia's private financial institutions, one of the main barriers to engaging with the SFS is the imbalance between high upfront costs and limited short-term incentives. Compliance is viewed as resource-intensive, requiring investment in ESG data systems, staff training on climate risk, and the development of new green products. The need for auditors to verify and audit processes further adds to the burden, with similar exercises in other markets, such as the Johannesburg Stock Exchange, estimating costs in the tens of millions of rand. In many cases, the financial benefits of concessional

funding are marginal once these compliance costs are factored in. At the same time, green projects are often perceived as commercially riskier, with longer payback periods compared to traditional investments, which further discourages private capital.

Consulted stakeholders have stressed that market forces and regulation alone are insufficient to change this dynamic, and called for a stronger, government-led framework to de-risk green finance and make projects financially competitive. Suggested incentives include:

- Introducing a favourable tax regime on interest earned from sustainable instruments such as green bonds (noting that equity investments are already tax-free)
- Government playing a mezzanine finance role or subsidise pricing to make green or sustainability financing cheaper than traditional bond financing
- Government-backed guarantees for emerging technologies
- A predictable structure for Private Public Partnerships.

While there is an acknowledgment that potential long-term benefits (portfolio resilience, access to new capital, reputational gains) these future payoffs do not outweigh the immediate and certain costs under the current policy environment.

3.3.3 Market Structure and Investment

Limited pipeline of bankable projects

Stakeholder consultations highlighted the limited pipeline of bankable projects as a pressing barrier. While many sustainable projects successfully reach the prototype or pre-bankable stage, they often stall due to a lack of capital and the absence of traditional securities, leaving promising ideas unable to progress to full implementation. This bottleneck is particularly problematic for domestic institutional investors, such as pension funds and insurers, which require projects with appropriate structures, returns, and ratings before they can commit capital.

Stakeholders recommended more active involvement by the government and the BoN in structuring projects to meet investability criteria, supported by instruments such as guarantees and risk-sharing mechanisms. They also pointed to the Project Preparation Unit (PPU) at the Ministry of Finance as a key vehicle to help projects move from concept to bankability. Expanding the pipeline of investable opportunities, in their view, would not only unlock domestic capital but also build confidence among international investors that Namibia can deliver viable, large-scale sustainable projects.

Shallow secondary market

At present, most green and sustainability bonds in Namibia are issued and held to maturity, with little or no secondary trading. This lack of liquidity limits investor flexibility and reduces the attractiveness of such instruments. Stakeholders consulted therefore highlighted the need to develop a secondary market, for example through listings on the NSX. An active secondary market would enhance liquidity, give investors confidence that they can enter and exit positions more easily, and help establish transparent pricing benchmarks, all of which would make green instruments more appealing to institutional investors. For institutional investors, investment decisions require security, liquidity, and external ratings, given that they are investing on behalf of their clients.

Exchange rate volatility

A recurring concern among investors is the exposure of local-currency projects to exchange rate volatility, which can significantly affect project bankability and long-term returns. As much of the concessional and development finance is sourced internationally, the mismatch between foreign-currency funding and local-currency revenues amplifies risks for both lenders and project developers. This currency risk is particularly acute for sectors such as renewable energy, infrastructure, and green hydrogen, where financing requirements are large and repayment periods are long. Stakeholders suggested that the government could mitigate this risk by establishing a stabilisation fund to cushion against exchange rate fluctuations.

3.4 Conclusion

The findings of this Diagnostic Study affirm that while Namibia possesses the foundational elements for sustainable finance - capital, policy intent, and nascent innovation - these efforts remain fragmented and difficult to scale. The existing barriers, including regulatory inertia, capacity deficits, non-standardised data, and project pipeline limitations, collectively prevent the mobilisation of institutional capital necessary to meet the country's climate and development financing needs.

The Sustainable Finance Strategy (SFS) is therefore essential. It must directly address these constraints by providing a coherent national strategy to unlock domestic capital, standardise definitions through a national taxonomy, build specialised industry and regulatory capacity, strengthen ESG data quality, and introduce clear, government-led incentives to de-risk green investments and structure a robust pipeline of bankable projects while ensuring achievement of an inclusive green finance ecosystem. By doing so, the SFS will integrate sustainability into Namibia's financial sector to foster resilient, inclusive, and sustainable economic growth for the period 2025–2035.



4 | The Strategy

4 | The Strategy - A Roadmap for a Sustainable Financial Sector

4.1 Alignment with national priorities

The Sustainable Finance Strategy (SFS) serves as a roadmap for Namibia's objectives across sustainable development and inclusive financial sector transformation. The strategy's activities and initiatives, as presented in this section are expected to operationalise national priorities across the Vision 2030, NDP6 and the NDC.

The strategy is anchored on national transformation objectives within the financial sector - this includes alignment with the Medium-term Expenditure Framework (MTEF), the Integrated National Financing Framework as well as the Namibia Financial Sector Transformation Strategy (NFSTS).

Most notably, the activities identified in the SFS operationalise key pillars of the NFSTS and particularly the pillar for Financial Sector Development for Growth and Sustainability and SFA2: *A financial sector that supports sustainable financing initiatives and activities*. Thus, the development of this sustainable finance strategy is mandated through the NFSTS. The SFS also contributes to the NFSTS's objectives of developing new financing products, instruments and securities for effective financing of priority sectors. The table below highlights how the SFS supports the realisation of the NFSTS.

Table 10: SFS and NFSTS alignment

NFSTS strategic pillars	SFS alignment
Pillar 1: Financial Sector Development for Growth and Sustainability	The SFS is a core output of operationalising the NFSTS and is most closely linked to this pillar; specifically aligning to SFA1 and SFA2.
Pillar 2: Digital transformation and innovation	Data and digital infrastructure is a supporting pillar in the SFS and regulatory sandboxes for testing innovative financial products are part of the activities proposed in this SFS
Pillar 3: Financial access, empowerment and protection	This SFS also covers inclusive finance initiatives, specifically inclusive green finance which entails the development of financial products and delivery channels specifically designed to serve underserved and disadvantaged groups.
Pillar 4: Financial sector localisation	Local capital market deepening interventions CB and TA to domestic financial institutions
Pillar 5: Skills and capacity development	Human capital development is covered under the supporting pillar of capacity building.

Beyond the NFSTS, for the country's Gender-Responsive INFF, the current strategy operationalises key reform priorities including, the promotion of bond issuances; supporting blended finance and special purpose vehicles for women-owned businesses; supporting an increasingly open bond market to

foreign investors and enhancing the supervision and regulation of the banking sector through integration of sustainable finance and associated risks.

4.2 Vision & Mission

Namibia's national development is shaped by a combination of distinct challenges, significant economic opportunities and defined ambitions. Anchored in Vision 2030 and the 6th National Development Plan (NDP6), the country aspires to transition into a prosperous, industrialised, and sustainable economy. The financial sector plays a pivotal role in this journey by **mobilising and allocating capital** in ways that both address Namibia's vulnerabilities, such as its dependence on electricity and fossil fuel imports, and unlock new opportunities for green and inclusive growth.

This Sustainable Finance Strategy (SFS) establishes a clear national vision aligned with the NFSTS which is to create a framework for:

> **An inclusive, innovative and sustainable financial system that promotes Namibia's sustainable development objectives while enhancing financial inclusion and inclusive green growth.**

This vision is intended to guide the financial system's evolution from its current state to a mature state capable of supporting the country's development objectives. This vision is based on a structured framework of goals and strategic pillars designed to provide a consistent basis for action by all stakeholders. The strategy aims to align financial planning, regulation, and market innovation with national priorities and commitments as outlined in the country's NDC and NDP6 .

A central principle of this strategy is inclusive growth. Acknowledging Namibia's dual economy, the SFS will serve as the financial blueprint for **Namibia's "dual-track" transition**:

1. One track will focus on mobilising domestic and international capital for large-scale industrial projects, such as green hydrogen infrastructure.
2. A parallel track will be dedicated to expanding inclusive green finance to support vulnerable groups. This includes developing accessible financial products for climate adaptation in the agriculture sector, which is critical for rural livelihoods, and ensuring the green transition addresses Namibia's "triple challenge" of inequality, unemployment, and poverty.

Mission

The strategy adopts the following mission: to mobilise and leverage financial resources towards sustainable projects and businesses, addressing climate change, fostering biodiversity, and promoting social equity through responsible and impactful financial practices. A primary, measurable goal of this strategy is to contribute to the mobilisation of the over US$15 billion in capital required to implement Namibia's NDC by 2030.[100] Progress toward this objective will be measured by the total value of public and private finance directed towards projects explicitly aligned with NDC priorities.

[100] Republic of Namibia, 'Namibia's First NDC – Second update', April 2023 (Available here)

4.2 Strategic Pillars & Objectives

Below is an overview of the SFS' strategic pillars (divided into three core pillars and two supporting pillars). Also included here are each pillar's objectives as well as sub-pillars, which are initiatives that would contribute to achieving the objectives of each pillar. ***Notably, for the successful implementation of the SFS, an important prerequisite is the implementation of the Namibia Financial Institutions Supervisory Authority Act (3 of 2021) and the Financial Institutions and Markets (FIM) Act (2 of 2021) which were passed in 2021.***

Table 11: SFS Strategic Pillars

Overall Objective		
To create a resilient, inclusive, and low-carbon economy that promotes sustainable development, enhances financial inclusion, and ensures environmental, social, and governance (ESG) considerations are at the core of Namibia's financial system.		
Strategic Pillars		
Pillar 1: Structure and Scale Sustainable Finance Flows	**Pillar 2:** Transparency and Market Discipline	**Pillar 3:** ESG Risk Assessment and Management
Specific Objectives of Strategic Pillars		
Pillar 1 specific objective: To scale the mobilisation of capital towards a bankable pipeline of socially inclusive sustainable projects, addressing market fragmentation while leveraging Namibia's significant domestic capital base and unique green hydrogen opportunities.	**Pillar 2 specific objective:** To establish a credible and transparent market environment by developing clear definitions, minimum and mandatory reporting standards, and robust verification mechanisms, thereby preventing greenwashing, building investor confidence, and generating decision-useful ESG data.	**Pillar 3 specific objective:** To systematically integrate ESG and climate and nature-related financial risks into the governance and core decision-making processes of financial institutions and into the national prudential and supervisory frameworks to ensure long-term financial stability.
Sub-Pillars		
Sub-Pillar 1.1. Domestic private and institutional capital mobilisation	**Sub-Pillar 2.1.** Promoting market integrity and preventing greenwashing	**Sub-Pillar 3.1.** Integrate Climate and Nature-Related Risks into Prudential Supervision

Sub-Pillar 1.2. Market development and scaling of thematic financial instruments	**Sub-Pillar 2.2.** Standardising ESG disclosure requirements	**Sub-Pillar 3.2.** Embed ESG Risk in Institutional Investment and Lending Decisions
Sub-Pillar 1.3. Attracting international public and private capital for large-scale projects	**Sub-Pillar 2.3.** Developing a framework for impact measurement and reporting	**Sub-Pillar 3.3.** Establish a Clear Incentive and De-risking Environment
Sub-Pillar 1.4. Strengthening Inclusive Green Finance (IGF) mechanisms		
Sub-Pillar 1.5 Enhancing project preparation and bankability		
Supporting Pillars		
Pillar 4: Continuous Capacity Building		
Pillar 4 specific objective: To address the systemic skills and knowledge deficit across the financial ecosystem, equipping regulators, financial institutions, and project developers with the specialised expertise required to originate, supervise, and execute sustainable finance transactions effectively **Sub-Pillar 4.1.** Building technical skills within financial institutions and strengthening regulatory and supervisory expertise **Sub-Pillar 4.2.** Fostering a national knowledge ecosystem for sustainable finance		
Pillar 5: Data and Digital Infrastructure		
Pillar 5 specific objective: To close the data gap for ESG data and leverage digital infrastructure that bring the un-banked and under-banked into the formal financial system to access green and social lending products. **Sub-Pillar 5.1.** Building Efficiency by Aligning Data Tools and Expanding Digital Infrastructure		

4.3 Impact Measurement Framework

This section presents the impact measurement framework that will be used to monitor and evaluate the effectiveness of the proposed sustainable finance initiatives. The framework presents the SFS' initiatives under each of the strategic and supporting pillars, along with key performance indicators, targets[101] and identifying lead and supporting institutions to implement each specific initiative.

Pillar 1: Structure and Scale Sustainable Finance Flows

Sub-pillar (objective): 1.1 Mobilise domestic private and institutional capital

Initiative	Indicators	Target	Actors involved (Lead and *support*)
1. Promote special purpose vehicles by encouraging the development of innovative and diverse financial instruments and products. *For example: non-collateral backed products; counter-cyclical finance*	Number of new mechanisms of sustainable and inclusive finance mechanisms (products and instruments) introduced (NFSTS). Volume of finance mobilized from SPVs (NAD millions)	At least 10 new sustainable finance mechanisms introduced by 2035 (average 1 - 2 per year) 3x increase in volume of financing from SPVs for priority sectors by 2035	**Lead:** NAMFISA ***Support:*** *BoN, NSX, EIF, DBN*
2. Explore regulatory actions on increasing the share of pensions investment in listed and unlisted green investments. *For example: by proposing an increased investment ceiling for investments under 'green' definitions.*	Increased share of pensions invested in listed and unlisted green investments	5% of pension assets under management allocated to listed and unlisted green investments by 2035 (progressive increase: 1% by year 3, 3% by year 6, 5% by year 10).	**Lead:** NAMFISA ***Support:*** *MoF, NaSIA*
3. Integrate sustainable finance mandates in bank corporate social responsibility activities	Percentage of Bank's CSR activities allocated to sustainability objectives	2% of banks' CSR budget is allocated to government-approved CSR activities by 2035.	**Lead:** BoN ***Support:*** *BAN*

[101] Target rationales are presented in Annex 2

Pillar 1: Structure and Scale Sustainable Finance Flows

Sub-pillar (objective): 1.2 Develop the market for sustainable finance and scale thematic financial instruments

Initiative	Indicators	Target	Actors involved (Lead and *support*)
4. Integrate a sustainable FinTech workstream within the BoN's Innovation Hub	Sustainable fintech models tested and licensed annually	By 2035, 40% of FinTech models tested and licensed annually through sandbox contribute to sustainable finance objectives	**Lead:** BoN ***Support:*** *NAMFISA*
5. Create a dedicated workstream for sustainable finance within NAMFISA crowdfunding and peer-to-peer lending streams	Sustainable finance crowdfunding and peer-to-peer lending models tested and licensed annually	By 2035, 40% of crowdfunding and peer-to-peer lending models tested and licensed annually through sandbox contribute to sustainable finance objectives	**Lead:** NAMFISA ***Support:*** *BoN*
6.Provide support to municipalities on structuring sustainability-linked PPPs	Value of PPPs supported	NAD 5 billion in green infrastructure PPPs facilitated by 2035	**Lead:** MoF ***Support:*** *BoN and NAMFISA*

Sub-pillar (objective): 1.3 Attract international public and private capital for large-scale projects

Initiative	Indicators	Target	Actors involved (Lead and *support*)
7. Create effective linkages for SDG Namibia One with an investment-grade pipeline.	Volume of investment through infrastructure fund	NAD 8 billion mobilized through SDG Namibia One infrastructure fund by 2035	**Lead:** BoN ***Support:*** *Nam-H2*
8. Create window to support GCF accreditation for local financial institutions	Number of GCF accredited financial institutions	Double the number of GCF accredited institutions by 2035	**Lead:** MEFT ***Support:*** *EIF, DBN*

Sub-pillar (objective): 1.4 Strengthening inclusive green finance (IGF) mechanisms

Initiative	Indicators	Target	Actors involved (Lead and *support*)
9. Organise a feasibility study for a dedicated green finance women's fund	Volume of financing to women-led green businesses	Feasibility study completed by Year 2, fund operational by Year 4	**Lead:** DBN
10. Establish Green Finance Guarantee window under the SME Credit Guarantee Scheme	Value covered under the Green Finance Guarantee window	NAD 1.5 billion in green finance guarantees issued by 2035	**Lead:** NASRIA ***Support:*** *DBN and NAMFISA*

Pillar 1: Structure and Scale Sustainable Finance Flows

Sub-pillar (objective): 1.5 Enhancing project preparation and bankability

Initiative	Indicators	Target	Actors involved (Lead and *support*)
11. Build a dedicated sustainable finance project preparation stream within the PPF	Percentage of Project Preparation Fund projects aligned with sustainable finance objectives	40% of projects under PPF are linked to sustainable finance objectives	**Lead:** MoF

Pillar 2: Transparency and Market Discipline

Sub-pillar (objective): 2.1 Promoting market integrity and preventing greenwashing

Initiative	Indicators	Target	Actors involved (Lead and *support*)
1. Establish a national Sustainable Finance Taxonomy, aligned with SADC and international standards	Launch of taxonomy	Taxonomy principles defined and published by Year 2. At least 80% of systemically important institutions comply with taxonomy disclosure requirements by Year 10	**Lead:** BoN ***Support:*** *NAMFISA, NSX*

Sub-pillar (objective): 2.2 Standardising ESG disclosure requirements

Initiative	Indicators	Target	Actors involved (Lead and *support*)
2. Undertake a comprehensive feasibility study to define a phased approach for ESG disclosure requirements	Feasibility study that defines a phased approach to ESG disclosure and requirements, aligned to Namibia's context	ESG disclosure feasibility study completed and published by Year 3. Baseline assessment of ESG disclosure practices across all NSX-listed entities and systemically important financial institutions completed by Year 2	**Lead:** BoN ***Support:*** *NAMFISA, NSX*
3. Mandate climate and nature risk disclosures aligned with timing from feasibility study	Mandatory climate and nature risk disclosures instituted	Mandatory climate and nature risk disclosure for systemically important institutions by Year 8, extended to all licensed institutions by Year 10.	**Lead:** BoN ***Support:*** *NAMFISA, NSX*

Sub-pillar (objective): 2.3 Develop a framework for impact measurement and reporting

Initiative	Indicators	Target	Actors involved (Lead and *support*)
4. Voluntary ESRM Framework for banks to incorporate E&S factors in their credit and operational risk management systems	Published ESRM framework updated bi-annually	Standardized reporting templates for all target user categories published by Year 6	**Lead:** BoN ***Support:*** *NAMFISA*
5. Define reporting templates for target users across the financial sector	Published reporting templates for target users	80% of reporting banks and financial institutions using templates	**Lead:** BoN ***Support:*** *NAMFISA*

Pillar 3: ESG Risk Assessment and Management

Sub-pillar (objective): 3.1 Integrate Climate and Nature-Related Risks into Prudential Supervision

Initiative	Indicators	Target	Actors involved (Lead and *support*)
1. BoN and NAMFISA to introduce non-binding standards for risk management integrating climate and nature-related risks	Number of financial institutions incorporating standards	Non-binding climate and nature-related risk management guidelines published by Year 3 At least 70% of financial institutions voluntarily adopt guidelines by Year 6	**Lead:** BoN and NAMFISA ***Support:*** -
2. Define phased approach to climate and nature-related risk stress testing requirements aligned to Network for Greening the Financial System best practices	Phased approach progressively enlists smaller institutions in risk stress testing, aligned with capacity building efforts	Phase 1 (Year 5): All SIFIs conduct climate stress testing Phase 2 (Year 7): Banks and insurers above certain threshold conduct climate and nature stress testing Phase 3 (Year 9): 60% of all financial institutions conduct stress testing	**Lead:** BoN and NAMFISA ***Support:*** -

Sub-pillar (objective): 3.2 Embed ESG Risk in Institutional Investment and Lending Decisions

Initiative	Indicators	Target	Actors involved (Lead and *support*)
3. Develop and implement mandatory ESG integration standards for institutional investors	Mandatory ESG integration standards developed and applied	100% of pension funds and 80% of asset managers comply with ESG integration standards	**Lead:** NAMFISA ***Support:*** -
4. Mandate ESG risk assessment in bank lending with an initial focus on corporate and project finance	Volume of lending covered by ESG Risk Assessment Mandates	ESG risk assessment mandated for all corporate and project finance above NAD 5 million	**Lead:** BoN ***Support:*** -
5. Regional/Sectoral Risk Assessment mandated for priority regions and sectors	Application of risk assessment requirements	Regional and sectoral ESG risk assessment framework established by Year 5 All 14 regions and priority sectors undergo comprehensive ESG risk assessment by Year 7	**Lead:** BoN and NAMFISA ***Support:*** -

Pillar 3: ESG Risk Assessment and Management

Sub-pillar (objective): 3.3 Establish a Clear Incentive and De-risking Environment

Initiative	Indicators	Target	Actors involved (Lead and *support*)
6. Explore tax incentives for interest earned from listed sustainable instruments	Volume of investment in listed sustainable instruments utilizing tax incentives	NAD 15 billion invested in tax-advantaged listed sustainable instruments by 2035	**Lead:** NAMFISA ***Support:*** *MoF*
7. Define mezzanine financing approach for government in special purpose vehicles	Volume of government mezzanine capital deployed	NAD 500 million in government mezzanine capital deployed in blended finance structures by 2035	**Lead:** BoN and NAMFISA ***Support:*** *MoF*

Pillar 4: Continuous Capacity Building

Sub-pillar (objective): 4.1 Building Technical Skills and Strengthening Regulatory and Supervisory Expertise

Initiative	Indicators	Target	Actors involved (Lead and *support*)
1. Ensure sustainable finance skills are integrated in the pilot Skills Development Plan of NSFTS.	Integration of sustainable finance modules in national Skills Development plan under NSFTS	10 comprehensive sustainable finance training modules developed and deployed by 2035	**Lead:** BoN and NAMFISA ***Support:*** *MoF*
2. Organise peer to peer knowledge exchanges with regional partners on sustainable finance	Number of peer to peer knowledge exchanges	30 peer-to-peer knowledge exchanges with regional partners conducted by 2035	**Lead:** BoN and NAMFISA ***Support:*** *MoF*

Sub-pillar (objective): 4.2 Fostering a National Knowledge Ecosystem for Sustainable Finance

Initiative	Indicators	Target	Actors involved (Lead and *support*)
3. Build a repository of case studies of successful and unsuccessful project concepts/investment briefs including Bankable PPP and Infrastructure Project Proposals	Size of database	30 bankable PPP and infrastructure projects documented in collection by 2035.	**Lead:** MoF ***Support:*** -

4.4 Implementation Timeline

The following implementation timeline highlights the years in which the planned activities will begin.

Year	1	2	3	4	5	6	7	8	9	10
Pillar 1: Structure and Scale Sustainable Finance Flows										
Sub-pillar 1.1: *Mobilise domestic private and institutional capital*										
1. Promote special purpose vehicles by encouraging the development of innovative and diverse financial instruments and products.				■	■	■	■	■	■	■
2. Explore regulatory actions on increasing the share of pensions investment in listed and unlisted green investments.	■	■								
3. Integrate sustainable finance mandates in bank corporate social responsibility activities.						■	■	■	■	■
Sub-pillar 1.2: *Develop the market for sustainable finance and scale thematic financial instruments*										
4. Integrate a sustainable FinTech workstream within the BoN's Innovation Hub		■								
5. Create a dedicated workstream for sustainable finance within NAMFISA crowdfunding and peer-to-peer lending streams			■	■						
6. Provide support to municipalities on structuring sustainability-linked PPPs				■	■	■	■	■	■	■
Sub-pillar 1.3: *Attract international public and private capital for large-scale projects*										
7. Create effective linkages for SDG Namibia One with an investment-grade pipeline.					■	■	■	■	■	■
8. Create window to support GCF accreditation for local financial institutions		■	■	■						
Sub-pillar 1.4: *Strengthen Inclusive Green Finance (IGF) Mechanisms*										
9. Organise a feasibility study for a dedicated green finance women's fund		■								

Year	1	2	3	4	5	6	7	8	9	10
10. Establish Green Finance Guarantee window under the SME Credit Guarantee Scheme			■							
Sub-pillar 1.5: *Enhance project preparation and bankability*										
11. Build a dedicated sustainable finance project preparation stream within the PPF			■							
Pillar 2: Transparency and Market Discipline										
Sub-pillar 2.1: *Promote market integrity and preventing greenwashing*										
1. Establish a national Sustainable Finance Taxonomy, aligned with SADC and international standards	■									
Sub-pillar 2.2: *Standardise ESG disclosure requirements*										
2. Undertake a comprehensive feasibility study to define a phased approach for ESG disclosure requirements		■								
3. Mandate climate and nature risk disclosures aligned with timing from feasibility study						■				
Sub-pillar 2.3: *Develop a framework for impact measurement and reporting*										
4. Voluntary ESRM Framework for banks to incorporate E&S factors in their credit and operational risk management systems						■				
5. Define reporting templates for target users across the financial sector					■					
Pillar 3: ESG Risk Assessment and Management										
Sub-pillar 3.1: *Integrate climate and nature-related risks into prudential supervision*										
1. BoN and NAMFISA to introduce non-binding standards for risk management integrating climate and nature-related risks			■							
2. Define phased approach to climate and nature-related risk stress testing requirements aligned to Network for Greening the Financial System best practices				■						

Year	1	2	3	4	5	6	7	8	9	10
Sub-pillar 3.2: *Embed ESG risk management into institutional investment and lending decisions*										
3. Develop and implement mandatory ESG integration standards for institutional investors										
4. Mandate ESG risk assessment in bank lending with an initial focus on corporate and project finance										
5. Regional/Sectoral Risk Assessment mandated for priority regions and sectors										
Sub-pillar 3.3: *Establish a clear incentive and de-risking environment*										
6. Explore tax incentives for interest earned from listed sustainable instruments										
7. Define mezzanine financing approach for government in special purpose vehicles										
Pillar 4: Continuous Capacity Building										
Sub-pillar 4.1: *Build technical skills and strengthen regulatory and supervisory expertise*										
1. Ensure sustainable finance skills are integrated in the pilot Skills Development Plan of NSFTS.										
2. Organise peer to peer knowledge exchanges with regional partners on sustainable finance										
Sub-pillar 4.2: *Foster a national knowledge ecosystem for sustainable finance*										
3. Build a repository of case studies of successful and unsuccessful project concepts/investment briefs including Bankable PPP and Infrastructure Project Proposals										

4.5 Means and partnerships for implementation

Typically, various sources of public, private, domestic, and international capital can be accessed for funding the implementation of the SFS and particularly for enhancing the flow of capital towards sustainable finance initiatives. Some of these include:

- Self-funding from market participants and industry bodies or associations
- Public expenditure by government agencies for consulting services
- Grant-funded technical assistance or technology transfer from development partners, including for consulting services
- Complimentary consulting support from local and international agencies and peer-to-peer learning networks

With specific reference to the supporting pillar no. 5 on capacity building, various development partners active in the sustainable finance ecosystem in Namibia may be considered as their ongoing and planned work aligns well with the objectives of the SFS. An example is UNDP's Biodiversity Finance Initiative (BIOFIN) which will also be collaborating with MoF and BON in the creation of a Namibia Green and Biodiversity Finance Taxonomy. BIOFIN will also develop a Biodiversity Finance Plan (BFP) which will complement governments NBSAP 3 (under revision) and fall under the Green Finance roadmaps/strategies.



5 | Governance & Institutional Framework

5 | Governance, Monitoring and Reporting

5.1 Governance structure

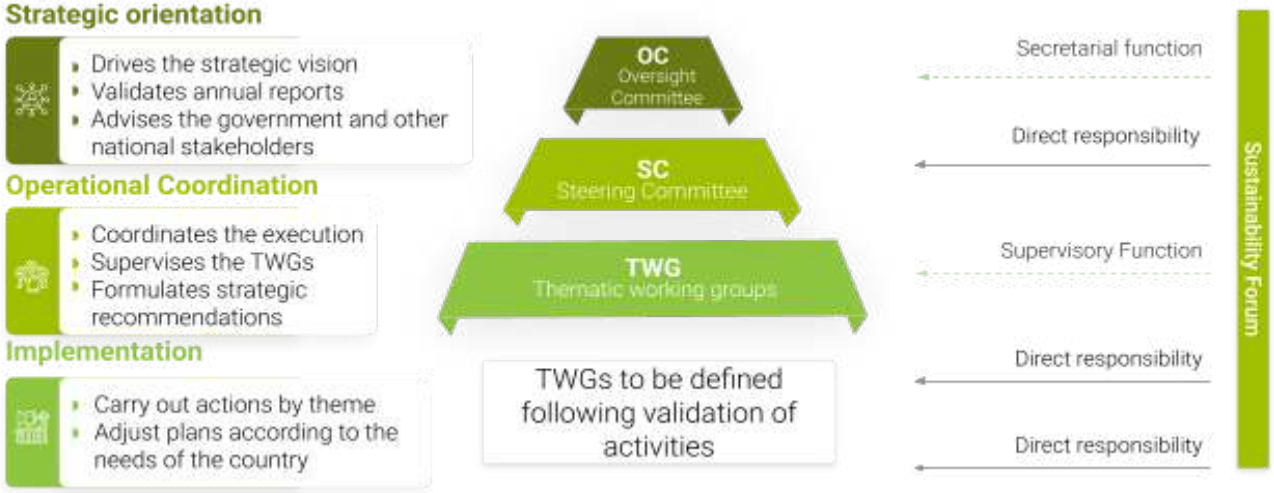
The SFS governance framework aims to achieve sustainable finance objectives by mobilising public and private stakeholders around a common vision to expand the volume of finance which goes towards ESG aligned projects. Successful implementation of the SFS requires close collaboration and coordination among the different stakeholders.The governance framework is based on a participatory mechanism ensuring consistency between the activities envisaged and the monitoring of their implementation.

A structured approach was adopted to define the SFS's governance structure. This involved analysing best practices observed in other countries that have implemented sustainable finance inclusion strategies, in order to draw lessons that are relevant to the Namibian context. This benchmarking exercise identified the key principles of effective governance: strong centralised coordination, with decentralised execution, multisectoral representation, a clear division of roles, and institutional anchoring at the highest level.

On this basis, the governance structure adopted is structured around three complementary levels:

1. A national-level oversight committee with rotational chairing from BoN and NAMFISA, with NSX as an observer (Financial Sector Council Advisory Body) as aligned with the NFSTS.
2. A Steering Committee under the guise of the recently launched Namibia Sustainable Finance Alliance, chaired by the Head of the Sustainability Forum of the Bank of Namibia, and composed of the heads of the Technical Working Groups (TWGs) and a representative from the regional expert group; and
3. TWGs correspond to the actions of the strategy's priorities, e.g. capacity building, financial instruments development and can include private sector players, development partners, academia and financial institutions.

Figure 5: SFS governance pyramid



5.1.1 The Oversight Committee - Financial Sector Council Advisory Body

The oversight committee steers the vision for sustainable finance in Namibia. With rotational chairing from the Governor of the BoN and the CEO of NAMFISA - this committee sets the strategic directions for the SFS. It embodies the momentum generated by all sustainable finance efforts and determines the country's broad strategic directions in this area. The oversight committee approves the SFSs annual reports and advises the government on the levers to be activated to accelerate sustainable finance. Its mission extends to the active promotion of sustainable finance in all public policies, development programmes and initiatives of national interest.

5.1.2 The SFS Steering Committee (SC)

The national Steering Committee coordinates the implementation of the SFS. It is chaired by the Sustainability Forum with the Department of Financial Sector Development acting as co-chair and ensures operational coordination. It is composed of the leaders of the thematic working groups and oversees the effective implementation of the strategy. The SC also acts as a secretariat for the oversight committee. Its main tasks are to:

- Validate the thematic deliverables produced by the TWGs;
- Produce strategic reports for the oversight committee;
- Formulate recommendations and adjust priorities according to the realities on the ground;
- Ensure the effectiveness and consistency of implementation through rigorous control mechanisms.

5.1.3 Thematic Working Groups (TWGs)

The TWGs are the driving force behind the SFS actions. Grouped by strategic theme, they consider the implementation of planned actions, appoint a responsible entity for each activity and adjust activity plans as necessary. They have the flexibility to call on external expertise and ensure the relevance of their interventions. Each group brings together the main players involved in the relevant field and reports directly to the SC on its progress. Quarterly meeting dates are set for the permanent cross-functional groups. However, the ad hoc cross-functional groups adapt the frequency of their meetings to the requirements and progress of their tasks.



6 | Annexes

6 | Annexes

Annex 1: Ongoing Initiatives

Institutional actors

- The DBN integrates climate change considerations into its core operations and developed a comprehensive **Sustainable Finance Framework** to guide its lending activities.

- As an accredited entity with the GCF, the **EIF** is responsible for implementing key GCF-funded projects on the ground. Key initiatives under the EIF include:[102]

    - **SDG Namibia One (Green Hydrogen Fund).** The Fund was launched to catalyse investment in Namibia's emerging green hydrogen sector. Backed by international grant funding and now managed by Nam-H2 Fund Managers with EIF retaining a co-ownership stake, the platform positions Namibia as a renewable energy hub and anchors large-scale investment in hydrogen and related infrastructure.
    - **Green Impact Facility (GIF).** Established as a blended finance initiative to support SMEs engaged in renewable energy, sustainable agriculture, and other green activities. In its first year, it approved 95 loans, created over 530 jobs, and promoted financial inclusion.

- **The Social Security Commission (SSC)** has developed its own internal taxonomy and guidelines, tailored to its operations and designed to assist lower-income groups, including through templates that capture basic taxonomical information. The SSC places strong emphasis on funding SMEs and startups to address the scarcity of bankable green projects, while relying on a well-trained internal governance team to guide its approach. The institution channels returns from its investments into a Development Fund that supports scholarships, training, and incentives in emerging sectors such as green hydrogen.

Development Finance Institutions

- **Commonwealth Climate Finance Access Hub (CCFAH)**. The CCFAH has embedded a national advisor within Namibia to strengthen local capacity in designing bankable project proposals and securing funding from global climate mechanisms such as the GCF.
- **Deutsche Gesellschaft für Internationale susammenarbeit (GIs)**. GIs supports Namibia across multiple fronts, including sustainable economic development, natural resource management, and improving access to finance for MSMEs.
- **United Nations Development Programme (UNDP)**. Through its *Biodiversity Finance Initiative (BIOFIN),*[103,104] UNDP has helped establish a Green Finance Technical Working Group to mainstream sustainable finance in Namibia. In addition, UNDP has conducted a comprehensive assessment of the national digital finance ecosystem to identify opportunities

[102] Environmental Investment Fund Of Namibia, 'Environmental Investment Fund Of Namibia Celebrates 12 Years Of Pioneering Green Finance', 2024 (Available here)
[103] BIOFIN equips governments with the tools and frameworks to assess biodiversity finance needs, identify inefficiencies, and mobilise resources from public, private, and innovative sources toward biodiversity goals.
[104] Biodiversity Finance Initiative, 'About us", accessed in August 2025 (Available here)

for leveraging technology in support of sustainable development. It has also established a BIOFIN-affiliated team to support natural resource management and advance nature initiatives in the country.

- **French Development Agency (AFD).** AFD has extended a green credit line via its SUNREF programme. Implemented in partnership with local commercial banks and hosted by EIF, SUNREF channels concessional green credit into renewable energy, sustainable agriculture, and eco-tourism projects. The programme has supported both utility-scale and SME-scale clean energy investments, building a track record of climate-smart financing.

Capital market[105]

- In 2021, **FSD Africa and the Committee of SADC Stock Exchanges (CoSSE)** launched a partnership to support SADC members, including the NSX, in developing a green bond market. The programme focuses on building regulatory frameworks and guidelines, developing issuer pipelines, mobilising institutional investors, training stakeholders, and promoting climate-related financial disclosure.
- **Listing and Disclosure Requirements:** Companies issuing debt instruments must comply with the NSX's **Listing Disclosure Requirements and Rules for Bonds** (2004). Moreover, all Namibian companies are encouraged to follow the NamCode (Namibian Code of Corporate Governance). In 2022, the NSX introduced the **NamCode's Directive on Social, Ethics and Sustainability (SES) Committee[106]** requiring listed companies to establish a SES Committee, overseeing ethics, sustainability integration, ESG risk/opportunity management, and reporting.
- **Green Bond Standards**: NSX requires issuers of green bonds to have an ESG framework aligned with international standards and practices (e.g. International Capital Market Association (ICMA) list of green and social bond principles as well as sustainable bond guidelines) to ensure credibility and prevent greenwashing.
- The **Central Securities Depository (CSD)**, expected to launch next year, will enable full dematerialisation of paper certificates. This reform is anticipated to broaden the buy side by attracting international funds previously restricted from markets with physical certificates.

Industry associations

- The **Namibia Savings and Investment Association (NaSIA)** is developing ESG guidelines and sustainable finance practices to harmonise efforts across the industry. In parallel, it is working with the Bank of Namibia on a sector-wide skills gap analysis, with results expected by year-end, and is engaged in the formation of a "sustainability alliance," a consortium of financial sector players aiming to build a more coherent collective response to sustainable finance. NaSIA's participation reflects a commitment to using soft-power influence to foster member buy-in and encourage a partnership-based approach, rather than relying solely on regulatory enforcement.

[105] ENSAfrica, 'The rise of sustainable finance in Namibia', 2025 (Available here)
[106] Namibian Stock Exchange, 'Namcode Directive On Social, Ethics And Sustainability Committee', 2022 (Available here)

Annex 2: Target rationales

Activity	Target	Rationale
1.1	At least 10 new sustainable finance mechanisms introduced by 2035 (average 1-2 per year, allowing for ramp-up time) 5x increase in volume of financing from SPVs for priority sectors by 2035	Under SFA1 (Broadening and Deepening the Financial Markets), the NFSTS sets a quantitative target to introduce "At least 5 new financial instruments introduced yearly". Under this, 20% of those targets are under sustainable finance. The 3x is a relevant increase from baseline in line with the country's ambitious targets and its increasing capacity across SPVs.
1.2	5% of pension assets under management allocated to unlisted green investments by 2035 (progressive increase: 1% by year 3, 3% by year 6, 5% by year 10)	Given the existence of a nascent sustainable market (including in listed assets) in Namibia and the existing mandates, this target appears relevant.
1.3	Banks are mandated to allocate 2 per cent of their chargeable income to government-approved CSR activities.	Following Mauritius' example this seems feasible and appropriate as a target for corporate levy.
1.6	By 2035, 40% of FinTech models tested and licensed annually through sandbox are under sustainable finance	Given BoN and NAMFISA ownership of these models this ambitious target is relevant
1.7	By 2035, 40% of crowdfunding and peer-to-peer lending models tested and licensed annually through sandbox are under sustainable finance	Given BoN and NAMFISA ownership of these models this ambitious target is relevant
1.9	NAD 8 billion mobilized through SDG Namibia One infrastructure fund by 2035	Reflects sub-portion of national infrastructure finance needs and aligns with anchor fund ambitions.
1.10	100% increase in number of GCF accredited institutions	Doubling baseline aligns with sector growth and national finance readiness efforts.
1.11	Feasibility study completed by Year 2, fund operational by Year 4	These milestones match international best practice for new green funds in developing markets.

	NAD 500 million disbursed to women-led green businesses by 2035	Scaled as a realistic portion of total MSME finance volume and sectoral gender gaps identified in national policy review.
1.12	NAD 1.5 billion in green finance delivered through digital channels by 2035	The NFSTS mandates Digital Transformation and Innovation, and aims for an 80% increased number of digital transactions, especially in rural areas by 2035
1.11	40% of projects under PPF are for sustainable finance	Given the government's mandate of PPF, the target is realistic.
2.2	150 BoN staff participate in regional/international sustainable finance training programs by 2035	Given Bank has around 700 employees, this target appears reasonable
4.1	10 comprehensive green finance training modules developed and deployed by 2035	The NFSTS mandates introducing specialised courses in collaboration with tertiary institutions to prepare students and upskill the existing workforce in sustainable finance, responsible investment and ESG analysis
4.2	30 peer-to-peer knowledge exchanges with regional partners conducted by 2035	Target of 2 exchanges per year appears relevant for regional exchange given Namibia's engagement in SADC.
4.3	30 bankable PPP and infrastructure projects documented in collection by 2035.	Target aligned with proposed activities and pipeline of infrastructure funding for the country.
2.1	Sustainable finance taxonomy principles defined and published by Year 2	2-year mark aligns with experiences in peer SADC/FMIs
2.2	ESG disclosure feasibility study completed and published by Year 3 Baseline assessment of ESG disclosure practices across all NSX-listed entities and systemically important financial institutions completed by Year 2	3-year horizon matches international timelines for similar market studies and supports transition planning. Year 2 enables integration with new reporting standards cycles and supports harmonization efforts.

2.3	Mandatory climate and nature risk disclosure for systemically important institutions by Year 8, extended to all licensed institutions by Year 10	Target aligns with phased approach for capacity-building; meets ISSB, SADC, global benchmarks for market institutions.
2.4	Standardized reporting templates for all target user categories published by Year 6	Launch in line with taxonomy timing and GRI/ISSB best practice rollouts.
2.5	80% of reporting banks and financial institutions using templates	80% is achievable based on sector scale and target-market readiness.
3.2	Phase 1 (Year 5): All SIFIs conduct climate stress testing Phase 2 (Year 7): Banks and insurers above certain threshold conduct climate and nature stress testing Phase 3 (Year 9): 60% of all financial institutions conduct stress testing	SIFIs are best-placed for early piloting due to resources and regulatory oversight. Realistic approach to roll-out from SIFIs 60% covers material risk centers; matches best-practice phased adoption seen in SADC, Asia and Latin America.
3.3	100% of pension funds and 80% of asset managers comply with ESG integration standards	The Namibian financial system is dominated by Non-Bank Financial Institutions (NBFIs), mainly pension funds (55.4% of total NBFI assets). The NFSTS encourages the use of collective or institutional vehicles, such as pension funds.
3.4	ESG risk assessment mandated for all corporate and project finance above NAD 5 million	Threshold balances sector materiality and cost; aligns with SADC and global lending standards.
3.5	Regional and sectoral ESG risk assessment framework established by Year 5 All 14 regions and 8 priority sectors undergo comprehensive ESG risk assessment by Year 7	The NFSTS supports leveraging advancements presented by regional and continental initiatives Two-year period after framework to cover all main economic geographies and sectors.
3.6	NAD 15 billion invested in tax-advantaged listed sustainable instruments by 2035	Target represents around 10% of current pension fund local investment allocations.
3.7	NAD 500 million in government mezzanine capital deployed in blended finance structures by 2035	Figure corresponds to approximately four percent of current development budget.

Annex 3: Overview of Namibia's financial and investment law and policies

Policy or regulation	Lead Institution	Description	Impact
Guidelines on Climate-related Financial Risks (for DSIBs)	BoN	Effective from July 2025, the guidelines enhance financial stability by managing climate-related risks. The Guidelines require DSIBs to integrate the identification, assessment, and management of physical, transition, and liability risks into their governance, strategy, and risk management frameworks. They mandate transparent disclosure of these risks and opportunities	It creates the mandatory demand for climate risk capacity and data within the banking sector.
Financial Institutions and Markets (FIM) Act (2 of 2021)	NAMFISA	The FIM Act designates the Namibia Financial Institutions Supervisory Authority (NAMFISA) as the responsible entity for micro-prudential supervision of non-bank financial institutions and intermediaries, distinct from BFIs. Furthermore, the Act provides for comprehensive market conduct supervision of Non-Bank Financial Institutions (NBFIs) and charges NAMFISA with this responsibility.	This Act was passed in 2021 but is yet to be implemented or operationalised.[107] This delay impacts market conduct supervision for NBFIs and means that comprehensive market conduct supervision for banking institutions is not provided for. This creates uncertainty for investors and acts as a barrier to the establishment of a modern, efficient, and inclusive financial sector. This legislative inertia undermines the NFSTS (2025–2035) objective to establish a modern, well-governed, and efficient financial sector (Pillar 1).
NamCode (Namibian Corporate Governance Code), - Directive on Social, Ethics, and	NAMIBIA Securities Exchange	The Namibian Corporate Governance Code (NamCode) encourages companies to integrate social, ethical, and sustainability considerations into their strategies and operations by recommending the establishment of a Social, Ethics, and Sustainability (SES) Committee for listed companies on the Namibian Stock Exchange	The directive encourages ESG disclosure but lacks prescriptive, binding guidance from the NSX (hollow regulation). This leads to data that is inconsistent, non-comparable, and not 'investor-grade'. This actively perpetuates the core barrier of inadequate data required by the market.

[107] Namibia Ministry of Finance, 'Namibia Financial Sector Transformation Strategy', 2025 (Available here)

Sustainability Committees		(NSX)	
Foreign Investment Act of 1990 (FIA) / Foreign Investment Act of 1993 (FIA)	Ministry of Finance and Public Enterprise	This is currently the guiding legislation on investment as new business legislation (the Namibia Investment Promotion and Facilitation Bill) is still in draft form from 2016.[108]	While the FIA promotes foreign investment and guarantees equal treatment, fair compensation, and repatriation rights, it also includes provisions that can be perceived as obstacles. Specifically, the government emphasises the need for investors to collaborate with Namibian-owned companies and/or have a majority of local employees. These requirements, though aimed at local development, can act as potential market-distortions for the inflow of capital and expertise for sustainable projects.
Namibia Investment Promotion and Facilitation Bill (NIPFB) / National Investment Policy	Ministry of Finance and Public Enterprise	The Namibia Investment Promotion and Facilitation Bill (NIPFB) is a proposed law intended to replace the country's existing investment legislation to attract and regulate both foreign and domestic investment. It is a key element of Namibia's broader National Investment Policy, aimed at creating a more conducive and modern business environment.	Both of these legal instruments are aimed at creating a conducive and enabling business environment but are still in draft form or promulgated but not fully implemented.[109] This legislative inertia creates uncertainty for investors and hinders the establishment of a modern, efficient, and inclusive financial sector, as well as the streamlining of investment procedures
Regulation 13 of the Pension Funds Act (previously Regulation 28 before 2018)	Ministry of Finance and Public Enterprise	Namibia's Regulation 13 (formerly Regulation 28) of the Pension Funds Act mandates a framework for pension fund investments, focusing on responsible management and diversification, with specific rules for investing in unlisted companies and private equity through Special Purpose Vehicles (SPVs) to promote domestic development and manage risk.	Regulation 28/13 established a mandatory allocation to unlisted assets with a minimum of 1.75% and a maximum of 3.5% of Assets Under Management (AUM). This regulation requires a minimum of 35% of pension fund assets to be invested in Namibian assets, a globally ambitious local asset requirement.[110,111,112] While it successfully repatriated some pension savings onshore and contributed to the local asset management industry, it led to investments primarily in local bonds, equities, and cash, rather than necessarily stimulating

[108] SADC, 'National Action Programme on Investment (NAPI)', 28 November 2023 (Available here)
[109] ibid.
[110] Government Institutions Pension Fund, 'Unlisted Investments', 2025 (Available here)
[111] NaSIA, 'Advisory Note: Asset Allocation Requirements for Pension Funds and Long-Term Insurers in Namibia', 2021 (Available here)
[112] NewFinancial, 'Comparing the asset allocation of global pension systems', 2024 (Available here)

			sustainable development projects directly.
Regulation 15 of the Pension Funds Act (previously Regulation 29 before 2018)	Ministry of Finance and Public Enterprise	This is the implementation framework for Regulation 28, introducing unlisted investments as an asset class.[113]	While aiming to supporting local investment from pension funds, it contains several provisions that act as barriers to sustainable investment ● Regulation 29 stipulates that capital commitments lapse if not drawn down within 24 months. This period is seen as too short, as it often takes longer than two years to identify, assess, and execute sustainable investments, leading to lapsed commitments and hindering long-term project development.[114] ● Regulation 29 is silent on ESG issues, meaning there is no legal obligation for financial institutions to meet ESG criteria or adhere to ESG standards. This leads to inconsistent application of sustainability principles, in the particular context where Namibia's banking sector is made up of numerous subsidiaries of regional or international banks, that may be aligning to external guidelines. ● Regulation 29 mandates that both Unlisted Investment Managers (UIMs) and Special Purpose Vehicles (SPVs) must be registered and subjected to high regulatory oversight, which represents the highest level of regulation. This adds significant costs and administrative complexity for fund managers. ● The mandatory investment band of 1.75% to 3.5% of assets under management (AUM) for unlisted assets is considered too narrow for the Namibian market. This represents around N$ 9.2 billion. Pension funds find it challenging to comply due to the illiquid nature and valuation difficulties of these investments, with allocations often breaching the upper limit
Limited permitted	Ministry of Finance	Current Namibian legislation only permits Company or Trust structures for SPVs.	Namibia lacks legislation for more flexible structures like General Partner/Limited Partner (GP/LP) partnerships, commonly used

[113] World Bank, 'Leveraging Pension Fund Investment for Domestic Development: Namibia's Regulation 29 Approach', 2022 (Available here)
[114] Key Informant Interviews, 2025

investment structures	and Public Enterprise		globally, which hampers market development for unlisted and alternative asset classes