

Five green and sustainable bonds listed on the NSX

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In this edition, Namibian Stock Exchange CEO, Tiaan Bazuin gives an update on the green bonds listed on the NSX.

CHAMWE KAIRA (CK): How many green bonds are listed on the Namibian Stock Exchange, is Namibia the second African country to issue a green bond after signing up to the United Nations' (UN's) sustainable stock exchanges initiative?

TIAAN BAZUIN (TB); We currently have a total of five green and sustainable bonds listed on the NSX. The market has matured to beyond just a green bond point and are seeing a lot of interest, there is capital that is definitely available for green investment. After the first green bond that was issued, sustainable bond issuances followed.

Green Bond – A bond is labelled 'green' or 'environmental' where the proceeds from the bond are directed to projects or assets with environmental benefits. Sustainability Bond or SDG Bond – A bond that is financing a range of both social and environmental projects/assets. An SDG Bond invests in projects and assets that are aligned and contribute to the achievement of the Sustainable Development Goals (SDGs)

CK: Do we have sustainable energy companies listed on the NSX and if so, which are these?

(TB): Sector, alternative electricity, Alpha Namibia Industries Renewable Power Limited.

(CK): How is the NSX helping green investments in Namibia?

(TB): The NSX issued a directive and clarification note to the NamCode in January 2022 on social, ethics and sustainability Committee.

(CK): Are there any new bonds planned to be listed?

(TB): We are not able to confirm as no applications has been submitted to the NSX.

(CK): How does the NSX ensure that the funds are being used towards what they are committed for?

(TB): In the green bond, we made it a requirement from our end, that they do an independent audit on that and complies with the Sustainable Stock Exchanges (SSE) Initiative and UNDP which aims to build the capacity of stock exchanges and securities market regulators to promote responsible investment and advance the sustainable practices of companies. As a signatory to the United Nations Sustainable Stock Exchanges Initiative, the NSX applies international best practice standards to have such a Framework in place for the issuance of green, sustainable and social bonds. Environmental, Social and Governance (ESG) Disclosures are mandatory for listed entities. The NSX does not have ESG disclosure guidelines as such disclosures are still being determined at an international level by various players. The NSX encourages Issuers to follow the international best practice in this regard whilst the Committee of SADC Stock Exchanges (CoSSE), of which NSX forms part, finalizes its determination on ESG Disclosures.

CK: What else do we need to know about green bonds on the NSX?

(TB): Please take note that SADC under CoSSE is currently running the SADC Green Bond Programme where Issuers are availed with resources and support under the Programme for optimum success. If there would be an interest from a prospective Issuer for this purpose, please let us know to direct accordingly.