

Plenary: Sustainable Finance: Opportunities and Challenges for West African Financial Institutions

Moderator: Eniola Bello, Managing Director, ThisDay Newspaper

Speakers: Funlola Adewale, Managing Director / CEO, UBA Foundation
Abdul Rahman Esene, Executive Director, Investment Banking & Public Sector, Fidelity Bank
Cecilia Ibru, CEO, Oceanic Bank
Patience Jacobs, Executive Director, Bank of Industry (BOI)
Oti Ikomi, Executive Director, Oceanic Bank

Mr. Eniola Bello, Managing Director of ThisDay Newspaper opened the plenary session stating that half of the top ten African Banks are Nigerian, which implies that they are powerful enough to have an impact on African society. He asked the speakers to present how they will take into account corporate and social responsibility (CSR).

Mrs. Cecilia Ibru, CEO, Oceanic Bank, first explained that as a financial institution (FI) getting involved in sustainability and signing the UNEP FI statement was the most appropriate step as all projects need financing. She confessed that in the past little attention has been paid regarding environmental assessments. Now that the issue is on the table however, most FIs are becoming more interested in participating and signing the UNEP FI statement. Mentioning the Oscar winning documentary by the former US Vice President Al Gore ‘An inconvenient truth’, she recalled that nowadays climate change is a worldwide reality and sustainable development a matter for us all, thanks to the rise of environmental awareness.

Mrs. Ibru stressed that, in Nigeria, the major problem to be tackled is the lack of knowledge and awareness as individuals and businesses are not playing their part in environmental protection which is a collective responsibility. Another important issue is the necessity for the Nigerian state to be able to monitor and enforce environmental projects led by statements and policies through real and effective structures.

Mrs. Patience Jacobs, Executive Director, Bank of Industry explained that the mandate of the BOI is to industrialize Nigeria and beyond through partnership with states and commercial banks, to reduce the cost of doing business for small and medium enterprises (SMEs) and improve infrastructures. She added that the BOI goes beyond mere investment as it drives SMEs to grow in a sustainable manner since clean environment and good infrastructures are the key to develop business, mainly agriculture.

Mrs. Patience Jacobs stated that we need to assess how well Nigeria is prepared to face environmental-related issues such as climate change or the current food crisis, which has been mitigated thanks to self-sufficiency in rice production. The right environment is fundamental as the predominant engine of growth is the population, who only settles where living standards are appealing. As a member of UNEP FI, the Bank of Industry believes will ensure that any project financed by the BOI has been environmentally assessed.

Mrs. Funlola Adewale, Managing director / CEO, UBA Foundation acknowledged that nowadays more companies are aware that their activities extend beyond purely making profit. There is a realization that stakeholders expect companies to behave in an ethical manner as they go about making money. To explain the UBA commitment to the UNEP FI initiative, she referred to the work of UBA. UBA Foundation for example, granted with 1% of the annual UBA Group gross profit, is involved in many social projects in sectors such as education or environment. Moreover, a group environmental

risk management policy has been integrated to formalize the environmental risk management processes and procedures.

Mr. Abdul Rahman Esene, Executive Director, Investment Banking & Public Sector, Fidelity Bank urged to take into account the negative or positive impacts on the society that can be created by any project the bank is dealing with. Negative consequences on the environment will result in high costs. He explained that Fidelity Bank is currently looking into financing environmental projects such as waste disposal which, contrary to what is believed, can be economically viable (to generate electricity, fertilizer, etc.) and that they do have an environmental risk management policy in place which applies to every projects the bank is considering. This new partnership with the UNEP FI and will be a chance to enhance this policy.

Mr. Oti Ikomi, Executive Director, Oceanic Bank recalled that engaging banks with UNEP FI is a voluntary commitment and that such a revolution regarding environment awareness must be incremented step-by-step and cannot be managed only by banks. The banks themselves are conscious and aware of their social and environmental responsibilities, mainly thanks to forums such as the Bankers Committee. A large proportion of the wealth of the nation comes from the finance sector, so banks have to make sure they can support and grow sustainable development.