

Sustainable Finance: Opportunities & Challenges

Inaugural West African Roundtable By United Nations Environmental Programme - UNEP

(21-22 May 2008 (9.50AM -11.35 AM))

Venue: Citi - Nigeria International Bank,
27 Kofo Abayomi Street, Victoria Island, Lagos

**Response to Perspective Questions By
Dr. (Mrs.) Cecilia Ibru. MD/CEO, Oceanic Bank International Plc.**

Perspective Questions

- 1) Why did you decide to sign the UNEP FI statement and become a member of the Finance Initiative?
- 2) Do you think West African Financial Institutions have a key role in Sustainable Development, and what are the opportunities they can seize to contribute to the development of the Continent?
- 3) What is the first activity your Institution will take up to honor the UNEP FI Statement you just signed and to promote Sustainable Finance in Nigeria and West Africa?
- 4) How strategically are Nigerian/West African Financial Institutions identifying and coping with environmental, social and governance issues in a fast-moving, global economy?

Why did you decide to sign the UNEP FI statement and become a member of the Finance Initiative?

- We are and remain committed to building a stronger Nigeria. It is our corporate commitment and proof of good corporate citizenship
- We believe we are an active and important player in the effort towards sustainable development, in association with other players in the other economic sectors.
- Sustainable Development is a matter for all of us. The Oscar-winning documentary (*An Inconvenient Truth*) by former US Vice President Al Gore draws home the fact that climate change is real, and the need for us to act now.
- We believe that sustainable development is the collective responsibility of not only the government but also businesses and individuals
- We are strongly committed to economic and social development and environmental protection.
- We continuously aspire to gain increased awareness and share experience on sustainable finance and development matters with relevant stakeholders
- We are partnering the Lagos state government and support their current efforts to make Lagos state a beautiful and environmentally friendly state. We are a major collector of revenues for the Lagos State Waste Management Authority

Do you think West African Financial Institutions (FIs) have a key role in Sustainable Development, and what are the opportunities they can seize to contribute to the development of the Continent?

- West African FIs have a key role to play by continuously providing innovative financing for Sustainable Development
- **Among other opportunities:**
 - Ability to achieve higher return on investment and business growth
 - Increased synergy between financial sector and other economic sectors in achieving common long term objectives, priorities and values
 - Creating value and wealth for the continent and region
 - Enhanced brand image and branch value proposition
 - Awareness of the impact of sustainable finance and environmental protection
 - Co-operative financing of sustainable projects e.g. World Bank, UNEP and Oceanic Bank etc.

What is the first activity your Institution will take up to honour the UNEP FI Statement you just signed and to promote Sustainable Finance in Nigeria and West Africa?

- Create awareness on sustainable finance with other Financial Institutions in Nigeria using the *Bankers Committee*, The *Association of Nigeria Bankers (ANB)* and the *Chartered Institute of Bankers (CIBN)* as communication platforms
- Review our processes with a view to modifying our behavior towards consumption of resources (reduce, reuse, repair and recycle.)

What is the first activity your Institution will take up to honour the UNEP FI Statement you just signed and to promote Sustainable Finance in Nigeria and West Africa? (2)

- Introduce energy saving computer and other devices like bulbs.
- Use energy efficient building materials (Oceanic Homes construction projects)
- Double glazing windows (Sound energy/noise mitigation)
- High pressure flushing system to conserve water.
- Orientation of building such that natural light energy feeds into the building thus reducing dependency on light during the working hours.

What is the first activity your Institution will take up to honour the UNEP FI Statement you just signed and to promote Sustainable Finance in Nigeria and West Africa? (3)

- Continue to implement and drive our key innovative sustainable finance initiative, providing financing and innovative banking solutions to:
 - Public, Private Partnership Projects (e.g. the Lagos Bar Beach project we are financing is a major environmental project that will help to control the flooding of the Victoria Island area)
 - Key sustainable development projects from Federal and State Governments
 - Support and empower the re-emerging middle class
 - Support education (children and students from Middle and low Income families could benefit from our QED school fees plan)

What is the first activity your Institution will take up to honour the UNEP FI Statement you just signed and to promote Sustainable Finance in Nigeria and West Africa? (4)

- Providing micro- credit with emphasis on sustainable and environmentally friendly projects
- Support environmental NGOs e.g. *Nigeria Conservation Foundation* (NCF) who we are already discussing with exploring areas of mutual co-operation.
- Making Environmental Impact Assessment (EIA)/ Strategy Environmental Assessment (SEA) a major requirement in our lending activities as part of our green accounting policy.
- Promote the 5 Rs sustainable development concept (**Reduce, Repair, Reuse, Recover, Recycle**) through all our communication channels to employees and external stakeholders

How strategically are Nigerian/West African Financial Institutions identifying and coping with environmental, social and governance issues in a fast-moving, global economy?

- The Nigerian experience post - financial sector consolidation has been a good case study thus far.
- Yet a lot more need to be done in achieving both sustainable finance, sustainable development and environmental protection especially in the following areas:
 - Information sharing amongst the banks
 - Collaboration and partnerships with international and 3rd parties e.g. UNEP to share best practice
 - Increased allocation of P.A.T to corporate social responsibility (CSR) projects
 - Regular interactions through seminars and workshops