

# **Felicia Dlamini-Kunene: Greening of the Central Bank of Eswatini Project**

Opening remarks by Ms Felicia Dlamini-Kunene, Deputy Governor of the Central Bank of Eswatini, at the Greening CBE Project Capacity Building Workshop, Ezulwini, 21 January 2025.

\* \* \*

- Programme Director,
- Distinguished Guests
- UNDP Representative
- External Consultants (Pegasys and Carbon Trust)
- Dear Colleagues
- Ladies and Gentlemen
- Good Morning!

I wish to warmly welcome all of you to today's Workshop which is conducted under the Greening of the Central Bank of Eswatini Project. The workshop will be facilitated by our consultants from Pegasys and Carbon Trust.

Let me first acknowledge and appreciate the progress made so far on the Greening of the Central Bank of Eswatini Project with special appreciation to our implementing Partners - UNDP Eswatini, Pegasys and Carbon Trust, and other Stakeholders who have been very instrumental and cooperative in the delivery of the key elements of the Project so far.

The Greening of the Central Bank of Eswatini Project was initiated last year and significant progress has been made. The key milestones achieved in the project include the diagnostic study report and draft Eswatini Green Finance Taxonomy, which are the two pieces of deliverables that will provide a solid foundation for moving forward to the implementation stage. We are looking forward to wrapping up the Project in the next month or so. However, more work still lies ahead.

Programme Director, I wish to emphasize three important things this morning, which are: a) Coordination b) Capacity building, and c) Migration from the preparatory stage to implementation phase.

## **a. Coordination**

Someone once said the following words and I paraphrase here "The urgency of climate action risks has become a cliché, but it is a dangerous cliché because immediate, effective, and transformative steps are urgently required to prioritize environmental protection".

- Coordination on matters of climate change adaptation and mitigation is very critical, both at national level and within all stakeholder institutions. Government, CBE, UNDP, and the financial sector can only do so much as institutions, but if we work together in a coordinated way, more ground can be covered to protect and safeguard our economy from the devastating effects of climate change.

- I therefore wish to emphasize the importance of coordination for the purposes of progressing the journey of greening the financial system in Eswatini. Coordination and collaboration also relate to international and regional levels. The Bank has found it necessary to affiliate with regional and international bodies like the African Community of Central Banks, the Network for Greening Financial Systems, the Southern African Development Community, and the Alliance for Financial Inclusion, to name just a few. This affiliation is for numerous purposes including regulating climate change risks in our financial system.

## **b. Capacity Building**

- We are here today because we desire to empower participants with the conceptual understanding of climate change risks, both physical and transitional, appreciating the benefits and use of a green taxonomy for purposes of mitigating climate change risks and promoting green investments. We also need to focus on sustainable finance principles, blended finance and the adoption of Environmental Social and Governance principles.
- More training interventions will be designed to address gaps identified through the diagnostic study report issued. Today's training is targeted at imparting technical skills to participants by our experts (Consultants). Specialized topics of this nature need to be covered in depth to generate sufficient technical knowledge on climate change and its effects and how best to mitigate them.
- CBE in its endeavour to capacitate and empower staff on climate change matters and regulation, has joined the Network for Greening Financial Systems which is the network of Central Banks and Financial Regulators and a platform for members to exchange notes and experiences on financial system greening agendas. The Network for Greening Financial Systems affiliation will also assist the Bank with peer-to-peer learning from other members. On capacity building, the Network for Greening Financial Systems offers online courses on its Climate Training Alliance portal and has partnered with other agencies like the Bank for International Settlements, the International Association of Insurance Supervisors, and the Sustainable Finance Forum to design and deliver specialized training on climate matters on a continuous basis.
- I, therefore, encourage all stakeholders to take the capacity building and knowledge generation on climate matters very serious and with the urgency it deserves.

## **c. Progressing from the Preparatory to implementation phase - what does that mean?**

- The Greening of the Central Bank of Eswatini Project progress made so far is quite significant, but more work lies ahead. The finalization of the diagnostic study report and the first version of the Eswatini Green
- For the Central Bank of Eswatini, the implementation stage means incorporating climate change - related risks both physical and transitional into our regulatory framework for supervising and regulating the financial sector. It means working with banks and other players within the ecosystem to enhance the identification, measuring, and control of risks associated with the devastating effects of climate change.

- We need to embrace the Environmental Social and Governance principles and advance our efforts for achieving Sustainable Development Goals (SDGs), in particular SDG 13 (climate action), in the context of the training sessions we are embarking on today.
- The Central Bank and financial institutions need to accelerate knowledge assimilation and building capacity on climate change - related issues with particular focus on research, scenario analysis, and stress testing capability to inform the country's / individual firm's vulnerabilities to climate change effects.

Ladies and gentlemen,

I encourage everyone of you to engage actively throughout this workshop. Please ensure that you take advantage of learning from our experts and implement what you will learn.

With these few words, I now declare this workshop officially open.

I thank you all, and I wish you all a productive and inspiring experience!