



THE SUSTAINABLE BANKING PRINCIPLES STAKEHOLDER FORUM

**KEYNOTE ADDRESS
BY**

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The Presidential Advisor on SDGs, Dr. Eugene Owusu

The Executive Secretary, Ghana Association of Bankers,

The Deputy Executive Director, Technical Services, Environmental Protection Agency,

Representatives of Banks,

Esteemed Stakeholders,

Members of the Media,

Distinguished Guests,

Ladies and Gentlemen

Good morning,

1. It is my pleasure to welcome you to this important Stakeholders' Forum. It is a historic event as it provides a platform to finalize and launch a framework for sustainable banking that could transform the face of credit delivery in the country.
2. Ladies and gentlemen, sustainable banking involves lending and other business activities of banks with a focus on projects and businesses that promote economic prosperity, environmental protection, and social justice. Sustainability is also about meeting the needs of the present without compromising the ability of future generations to survive and thrive. Sustainable banking, requires banks to assess economic, environmental, and social risks affecting the projects and businesses they finance, and ensure that appropriate measures are adopted to mitigate such risks.
3. Ladies and gentlemen, there is no gainsaying that our environment and the vulnerable in society, who are dependent on our natural resources to earn some income to support their families, are severely at risk.



This situation comes with its attendant social challenges like poverty, food insecurity, and unskilled youth migrating from the undeveloped regions and hinterlands to the cities to seek menial jobs.

4. In his address to Parliament in October 2017, H. E. the President of the Republic of Ghana disclosed that Ghana loses about 65,000 hectares of forest per year, projecting a total loss of all forest by 2040 at this rate. This will negatively affect Ghana's socioeconomic development as a result of the reduced role of forest products. In addition, the standard of living of forest communities who use their surroundings to hunt for game, collect snails and mushrooms and gather medicinal herbs and chewing sticks is reduced as they are thus deprived of their sources of income.
5. Recent reports further indicate that the mining sector, one of the largest contributors to our economy in terms of revenue generation, foreign exchange and employment, is also associated with environmental degradation, and poor compensation to affected persons, families and communities. Relatedly, the upsurge in illegal artisanal mining (galamsey) in particular, has resulted in the destruction of forests and farmlands, pollution of water bodies, and an increase in truancy especially among school going males in mineral rich communities.
6. You will recall that in May 2015, the Government of Ghana signed on to the attainment of the 17 Sustainable Development Goals (SDGs) under the auspices of the United Nations. Ghana, as signatory is bound to put measures in place to reach these targets. Sustainable banking will help Ghana achieve a number of these SDGs such as the elimination of poverty and hunger, the attainment of good health and well-being for all Ghanaians, gender equality, clean water and sanitation, affordable and clean energy, and responsible consumption and production.



7. Ladies and gentlemen, in recognition of the need for sustainable banking, the Bank of Ghana, in collaboration with the Ghana Association of Bankers and the Environmental Protection Agency, set out in 2015 to bring to the fore, issues affecting the protection and sustenance of our environment, in addition to combating the social issues that affect the livelihoods and lifestyles of the vulnerable members of the public.

8. The collaborative effort of Bank of Ghana, Ghana Association of Bankers and the Environmental Protection Agency has resulted in the preparation of Sustainable Banking Principles and Sector Guidance Notes for use by Ghana's banking industry. **Seven** general principles have been proposed under this initiative, being principles for:
 - Identifying, measuring, mitigating and monitoring environmental and social risks and opportunities in banks' business activities;
 - Promoting good environmental and social governance practices in banks' internal business operations;
 - Promoting good corporate governance and ethical standards;
 - Promoting gender equality;
 - Promoting financial inclusion;
 - Promoting resource efficiency and sustainable consumption and production; and
 - Reporting on compliance.

9. There are **five** relevant sectors of the economy to which these Principles will initially be applied, as a precursor to their subsequent application to other sectors of the economy. They are:
 - Agriculture and Forestry
 - Mining, Oil and Gas
 - Construction and real estate
 - Energy and power



- Manufacturing
10. The purpose of today's forum is to engage and seek wider and varied inputs from all stakeholders (individual and institutional) to inform further work on the Sustainable Banking Principles. We expect active engagement of all stakeholders to ensure that your perspectives are well captured to make the Principles practicable and usable. It is for this reason that you were sent copies of the documents ahead of this event.
 11. Ladies and gentlemen, I would like to acknowledge the support provided by International Finance Corporation (IFC) and Swiss Secretariat for Economic Affairs (SECO) during the process. They have provided opportunities for capacity building for members of the Steering Committee in addition to financial support, and are hosting this Stakeholders Forum. We say thank you. We want to use this opportunity to extend an invitation to other Development Finance Institutions to support the banking industry throughout the period of implementation of the Principles.
 12. As part of this event, the Bank of Ghana will conclude discussions on a Cooperation Agreement with IFC. Under this agreement, IFC will provide technical support for organizational strengthening at the Bank of Ghana, and for the development of Environmental and Social Risk Management (ESRM) guidelines for both the Bank of Ghana and the banking industry. IFC will also support the implementation of ESRM guidelines and the development of monitoring procedures for Bank of Ghana to supervise their implementation. It will assist in the identification of sustainable lending opportunities and practices in Ghana, and last but not least, support knowledge management, communication and outreach activities in relation to ESRM.



13. The Bank of Ghana remains committed to leading the industry to achieve the objectives of the Sustainable Banking Principles. We expect that this will also encourage banks to incorporate ESRM within their business activities and operational procedures. We are hopeful that these Principles, once finalized and launched, will be implemented, and not stay on shelves.
14. I wish you all productive and fulfilling deliberations at this Forum. I am confident that together, all stakeholders will participate fully so that the result will be Principles that lead to better lending outcomes for current and future generations of Ghanaians.

Thank you.