Development
Bank of Namibia

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DBN PS9-GREENHOUSE GAS EMISSIONS & CLIMATE CHANGE STANDARD

Reviewed and approved
Board meeting: 07 November 2016

Contents

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a) Version Control

The table below serves to track the key revisions made to this document for change control purposes.

Date	Version	Change Description	Author/Editor
08/02/2016	0.01	Initial Draft for first review	Manager: Environment & Social Development
24/04/2016	0.02	Initial Review	Head: Risk and Compliance –John Jacobs
23/05/2016	0.03	2nd Review	Risk and Compliance Committee
23/05/2016	0.04	Departmental Review	Audit Risk and Compliance
10/10/2016	0.05	Second Review	Senior Manager: Risk and Compliance –Saima Nimengobe
07/11/2016	1.00	DBN Board Approval	Chairperson: DBN Board of Directors
10/01/2019	2.00	Change logo on first page	Manager: Environment & Social Development

1. DEFINITIONS, TERMS & ABBREVIATIONS

BAT	Best Available Technologies
DBN	Development Bank of Namibia
ESMS	Environmental, and Social Management System
ESMP	Environmental and Social Management Plan
GHG	Greenhouse Gas Emissions
TOTAL EMISSIONS	Total emissions equals Scope 1 emissions plus net imports / exports of steam and electricity (Scope 2) emissions.
WBCSD	World Business Council Sustainable Development

2. BACKGROUND

The International Finance Corporation (IFC) Performance Standards are an international benchmark for identifying and managing environmental and social risk and has been adopted by many organizations as a key component of their environmental and social risk management.

IFC's Environmental, Health, and Safety (EHS) Guidelines provide technical guidelines with general and industry-specific examples of good international industry practice to meet IFC's Performance Standards.

In many countries, the scope and intent of the IFC Performance Standards is addressed or partially addressed in the country's environmental and social regulatory framework.

Behind the struggle to address global warming and climate change lies the increase in greenhouse gases in our atmosphere. A greenhouse gas is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere. By increasing the heat in the atmosphere, greenhouse gases are responsible for the greenhouse effect, which ultimately leads to global warming.

The scale of changes and the severity of impacts on human societies will depend in large part on our ability to dramatically and quickly reduce greenhouse gas emissions (GHG) emissions and adapt to the unavoidable changes.

At the Paris Summit 2015, Namibia has pledged an unconditional 8.9% emissions cut in 2030, compared to business as usual, or an 89% cut with international support. Most of the reduction would be achieved by reducing projected deforestation rates by 75%. Namibia also aims to increase share of renewables in electricity from 33 to 70%. Total estimated cost of U$33bn.

The Greenhouse Gas Emissions and Climate Change Standard primarily applies to activities that DBN and DBN businesses and operations can take to directly reduce greenhouse emissions (themselves) or, where appropriate, in collaboration with suppliers and customers.

In assessing a projects compliance with the Standard, reviewers should expect general conformance to this Standard unless the project can demonstrate that it meets the intent of the Standard by an alternative approach.

3. SCOPE

The DBN intends to assess and report the carbon footprint of DBN and its financed projects which trigger reporting thresholds, [1]to its external lenders. This is to be done by making its lending portfolio more climate-friendly by promoting climate change mitigation projects in various sectors and promoting the adoption of energy efficient solutions in the projects financed.

Additionally standardized GHG quantification and reporting for companies and their products are being developed to help reduce GHG emissions throughout the value chain.

4. INTENT

The intent of this standard is to ensure continuous improvement in GHG emission minimisation in DBN financed projects, including through improved efficiency in energy use and reporting. Climate change considerations should be taken into account at all stages of the project cycle, in particular during the pre-appraisal and appraisal stage.

This is to be accomplished by identifying GHG sources, evaluating and prioritising them according to significance, and then designing and implementing a Greenhouse gas and energy efficiency action plan containing the appropriate control, reduction and mitigation measures.

It is the intention of the Standard to provide information to assist promoters to understand and achieve the requirements of the standard.

5. PLANNING

5.1. All projects must comply with appropriate national legal requirements, including international multilateral agreements, related to climate change policy.

[1] . According to *The Global Reporting Initiative (GRI),* all facilities that emit the equivalent of 50 000 tonnes (50 kilotonnes) or more of GHGs in carbon dioxide equivalent units (CO_2 eq) per year are required to submit a report. Facilities with emissions falling below the reporting threshold of 50 kilotonnes per year can voluntarily report their GHG emissions.

5.2. In particular in carbon-intensive sectors all projects must use sector-specific best available techniques (BAT), which among other things requires a rational approach to resource use, including the most effective measures in the field of energy efficiency.

5.3. The DBN encourages promoters to provide information on expected absolute and relative GHG emissions from the project it finance by, developing, documenting and maintaining knowledge of GHG emissions and energy use. This must include an understanding of current and future GHG emission and energy use inventories and the factors that affect these inventories.

5.4. The DBN requests information from promoters on the climate change risks the projects face but also those of the system within which they operate, e.g. vulnerability in the supply chain or surrounding infrastructure, communities and ecosystems.

5.5. Where significant risks are identified, the DBN requires the client/customer to identify and apply the necessary physical or soft measures at planning, design and implementation stage to reduce these risks as well as to establish appropriate monitoring systems to ensure the sustainability of the project. If necessary, these activities can be supported by technical assistance.

5.6. Identify, document and assess GHG emission reduction and energy efficiency improvement opportunities for the project. Opportunities include on-site operational and engineering controls, emissions trading and offsets.

5.7. Benchmark the operation's (and/or individual processes') performance against external or internal benchmarks.

5.8. Develop a Greenhouse gas and energy efficiency action plan with GHG emission reduction and/or energy efficiency targets that will lead to benchmark performance.

5.9. The action plan must include suitable actions and milestones that are adequately resourced and linked to the project planning process.

5.10. Regularly review GHG emission reduction and energy efficiency opportunities for financial and technical viability.

5.11. Factor-in the reviews and changes that can reasonably be anticipated in national and international policies and measures.

6. IMPLEMENTATION AND OPERATION

6.1. Implement a Greenhouse and energy efficiency action plan and associated programmes for GHG emission control and reduction and energy efficiency.

6.2. Upgrade the action plan as the business needs and external requirements change and as there is technological advancement and progress in GHG emission and energy efficiency management.

6.3. Assign clear responsibilities and accountabilities for GHG emission and energy efficiency management.

6.4. Maintain access to the necessary GHG emission abatement and energy efficiency knowledge and skill.

7. PERFORMANCE MANAGEMENT

7.1. Ensure that the appropriate measures are in place for metering, or estimating where appropriate, GHG emissions and energy use.

7.2. Conduct periodic reviews to identify potential risks (threats and opportunities) associated with achieving best benchmark GHG emission performance and energy efficiency at the project or where appropriate operation.

7.3. Projects must regularly review milestones towards achieving targets.

8. REVIEW

The principles contained in this standard will be reviewed on an annual basis to facilitate improvement.

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9. GENERAL REFERENCES FOR STANDARD METHODS

- Greenhouse Gas Protocol
- The Global Reporting Initiative (GRI),
- Performance Standard 3, Resource Efficiency and Pollution Prevention, IFC, January 1, 2012
- African Development Bank Group Integrated Safeguards System (ISS) - Approved 17 Dec 2013
- WBCSD/WRI – World Business Council Sustainable Development / World Resources Institute
- Environmental Management Act No 7 of 2007 and its Environmental Impact Assessment Regulations
- European Investment Bank (EIB) Environmental and Social Handbook, Environment, Climate and Social Office Projects Directorate, Version 9.0 of 02/12/2013
- DBSA Environmental and Social Safeguard Standards_ESSS_13May2014

10. BOARD APPROVAL OF STANDARD

Development
Bank of Namibia

12 Daniel Munamava Street, Windhoek • PO Box 235, Windhoek, Namibia • Tel: +264-61-290-8000 • Fax: +264-61-290-8049
5626 Main Road, Trade Fair Grounds, Ongwediva • PO Box 3226, Ongwediva, Namibia • Tel: +264-65-230-130 • Fax: +264-65-230-126
206 Sam Nujoma Drive, Erf 735, Central Business District, Walvis Bay • PO Box 4514, Walvis Bay, Namibia Tel: +264-64-220-824 • Fax: +264-64-221-857
E-mail: info@dbn.com.na • Web: www.dbn.com.na

EXTRACT OF THE UNAPPROVED ORDINARY BOARD MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON 7 NOVEMBER 2016 AT 12 DANIEL MUNAMAVA STREET, WINDHOEK, NAMIBIA

"7. RISK, COMPLIANCE AND POLICIES

7.1 The Board reviewed and approved without any amendments thereto the following environmental standards,

7.1.1 Environmental and Social Management System Standard
7.1.2 Occupational Health and Safety, Public Health and Security Standard
7.1.3 Rights and Interests of Indigenous People Standard
7.1.4 Stakeholder Engagement Standard
7.1.5 Labour and Working Conditions Standard
7.1.6 Land Acquisition and Involuntary Resettlement Standard
7.1.7 Cultural Heritage Standard
7.1.8 Emergency Prevention, Preparedness and Response Standard
7.1.9 Pollution Prevention and Control Standard
7.1.10 Biodiversity and Ecosystems Standard
7.1.11 Greenhouse Gas Emissions and Climate Change Standard

Company Secretary
R Brusa
14 December 2016