



**CENTRAL BANK OF KENYA**

**LAUNCH OF NSE LISTING RULES INCORPORATING LISTING  
REQUIREMENTS FOR GREEN BONDS**

Wednesday, February 20 2019

Keynote Address by  
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*659 words*

**Good morning!**

First, I want to thank Geoffrey Odundo for getting me out of the office on this fine Wednesday morning. I had a choice between attending a meeting in my office – which overlooks a car park, by the way – and joining you, not just for breakfast, but to breathe some fresh air. This was a good choice of hotel, seeing as it is located in Central Park, which partly serves as a lung for this busy city. When I was appointed to this position, one of the things I sought was regular respite from the pressures of the job. I have told many of you the story before, of how Karura Forest and my Saturday morning runs there help clear my head. Some of you may have joined me on these runs.

I'm not just re-telling this story to prove my running credentials. Karura's existence, and the dogged work put in by the late Professor Wangari Maathai, brought home to Kenyans the value of protecting the environment. I need not remind you that she was also instrumental, three decades ago, in protecting Uhuru Park just next door, and keeping it safe for the people of Nairobi to use. This was years before climate change and environmental protection became buzzwords.

Kenya was a leader in proving the fact that the environment matters. We have been leaders in establishing the principle that we have only borrowed this planet from our children. So we now seek to lead the world in proving that being green pays – that we can take the great strengths of the financial industry and its investment savvy and apply these to the task of protecting the earth and all who live in it.

Kenya, therefore, is one of the pioneers in establishing the green bond market. There is appetite for investing in Africa, in recognition that, of all the investment bets you can make, this is the one that is sure to come up trumps. There is also appetite, as I have mentioned, to use your investment muscle to do good – to help defend the planet against the ravages of climate change and environmental damage. These two impulses come neatly together when we seek to make Nairobi the global hub for green finance.

What must we do, then? What is my challenge to you? This – what we are doing here – is a vital component. We must develop clear guidelines on green finance. The temptation would be to be loose with definition and regulation, in order to ensure that Nairobi is the entrepôt in this new, and essential, field of finance. However, the entrepôt model can have its drawbacks. We must remember that sometimes these may bring the detritus of trade, much as they could bring in high quality commerce. We cannot accept, or afford, to give cover to those who only wish to burnish their greenwashing credentials.

Thus, we must look at the highest quality of green bond issuance. The guidelines that we are launching today should be guided by the Green Bond Principles, which outline clearly how projects are selected, and how proceeds are managed and used; as well as which information is disclosed to investors and how. We must also position Nairobi to be a global centre for the green assessment of bonds. Issues such as verification, consultant review and ratings

can be refined here, and we should develop and attract global experts in these fields.

It is my hope that when we look back a decade or two hence, we will recall this morning fondly, saying to each other that 'we were there', when we set Nairobi on the path to being a capital of green bonds and green finance. And, incidentally, finding me will be fairly easy. I will be the retired old man reading a book under a tree in Uhuru Park!

**Thank you for your attention.**