

Sabine Mauderer: Navigating climate risks in Southern Africa - the role of central banks

Speech by Dr Sabine Mauderer, First Deputy Governor of the Deutsche Bundesbank, at the South African Reserve Bank (SARB)-Network for Greening the Financial System (NGFS) Research Conference "Navigating climate risks in Southern Africa", hosted by the SARB, Pretoria, 11 March 2026.

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1 Introduction

Ladies and gentlemen,

It is a privilege to speak to you here today.

I am delighted to see such a diverse audience of colleagues from central banks, academia and the private sector. Of course, these include many familiar faces, since the central banking community already spent the last two days together, during our annual NGFS plenary meeting.

But let me focus on today. The richness of perspectives in this room is a fitting reflection of the complexity and importance of the issues we are here to discuss. Moreover, it reflects the growing importance of the role of our partners and friends on the African continent regarding climate risks and climate action.

I would like to thank the South African Reserve Bank (SARB) for hosting us today in their newly renovated and indeed beautiful Head Office.

It marks a substantial sustainability achievement, as a goal of the renovation was to improve the building's energy efficiency, thereby reducing its carbon footprint¹.

As many of you know, speaking over lunch carries its own responsibility: One competes not only with exciting intellectual frameworks, but also with the appeal of a delicious meal. I will strive to be concise and sufficiently engaging to spark a lively discussion at your tables as you enjoy your lunch.

2 Navigating climate risks during a time of increasing headwinds

Turning to the theme of this conference: The role of central banks in navigating climate risks. This topic is timely and highly relevant, as climate-related risks are becoming increasingly visible, affecting our economies and financial systems. You know better than I do that Southern Africa is severely affected by climate change. At the same time, climate action has slipped down the political agenda in many parts of the world, as our economies grapple with multiple shocks and competing demands.

Many of you may have witnessed this shift first-hand in your professional work and research. This makes conferences like this one all the more important in bringing together researchers with practitioners, strengthening our capacity to understand and manage climate-related financial risks. I am finding it also particularly fitting that the NGFS plenary has just been held in Africa for the first time. This is a clear sign of Africa's increasing influence on the world stage. Indeed, it is expected to play a growing role in the global economy, with its young and fast-growing population.

The way African countries develop will have a major impact on the global transition to a net-zero future. At the same time, Africa is uniquely positioned to benefit from the clean energy transition. With abundant renewable energy potential and significant reserves of critical minerals needed for clean technologies, many African countries can turn the global shift to net zero into a powerful driver of sustainable growth.

3 The role of the NGFS in a challenging geopolitical environment:

Allow me to turn now to the role of the Network for Greening the Financial System, and its positioning in the current geopolitical environment. As many of you know, the NGFS is a global network of central banks and supervisory authorities working together to strengthen the financial system's ability to manage climate and environmental risks.

Our work is rooted in rigorous analysis, the development of practical tools, and a strong spirit of collaboration. This foundation has made us a trusted voice in the global climate debate, providing valuable input for public and private actors managing climate risks. I have had the privilege of chairing the Network since 2024, alongside my dear friend Fundi Tshazibana from the SARB as Vice-Chair.

Despite headwinds, membership of the NGFS has continued to grow. We are now a global coalition of more than 170 members and observers. I am particularly happy that we have welcomed 12 new members² from the African region since October 2023. In addition, the NGFS welcomed the MEFMI as an observer in January this year – the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, which fosters training and capacity development in the region.

Altogether, the NGFS now has almost 30 members and observers from Africa, many of whom are active contributors to various workstreams. The commitment of all NGFS members, including those from Africa, makes it clear that resilience is built through collaboration, not in isolation.

4 NGFS Annual Plenary Meeting – Key Takeaways

In this spirit, the NGFS has just concluded its annual plenary meeting here in Pretoria. Around 180 representatives from institutions worldwide participated in person. What does this strong attendance show? That central banks and supervisors are not taking their eye off the ball in relation to climate risks.

A key topic of discussion at the plenary meeting was finalising the future strategic direction of the NGFS to ensure the usefulness of our work for members and the broader financial community. I would like to briefly share with you the three strategic priorities of our network for 2026 and 2027:

First, the NGFS will continue to act as a technical incubator for emerging topics like nature loss and integrating adaptation considerations into supervisory toolkits. We will continue to bring together the macroeconomic, financial and supervisory expertise across our network to deliver evidence-based analysis.

Second, we will do more on capacity building. Strengthening capacity will remain a core pillar of the NGFS' mission, particularly relevant for emerging markets and developing economies. Our analytical tools are only useful if institutions have the capacity to apply them. Especially for robust capacity building, cooperation with external entities and stakeholders with relevant expertise is essential – for example with institutions like the MEFMI, which has special expertise in the area. We will invest further in training, peer learning and practical support to ensure that all members benefit from our work.

Lastly, we will build on our expertise in climate scenario analyses. Many of you will have heard of – or perhaps even used – the NGFS long-term scenarios. They analyse the potential impact of climate change and climate policies on our economies out to 2100. There has been some recent debate in the scientific community about the damage function used in the long-term scenarios. We welcome such feedback, recognising that scientific knowledge evolves and modelling methods improve. The NGFS is committed to ensuring that our scenarios reflect the best available evidence and remain at the forefront of climate-macro modelling.

In this spirit, we have recently created an independent Scientific Advisory Committee and the Scenario Steering Group to strengthen the robustness and credibility of our work. Last year we expanded our toolkit by releasing short-term climate scenarios for the first time. These scenarios, which focus on a timeframe out to 2030, underscore that climate change is no longer the tragedy of the horizon. It is a risk we need to address today.

For instance, under a stress scenario, extreme weather events could cause severe regional GDP shocks, with Africa facing potential GDP losses of up to 12.5% below the baseline over a five-year period³. However, this headline number masks the significant diversity across the economies that make up this region.

Africa's varied landscape demands ongoing research to better understand the economic and financial risks posed by climate change. In many ways, the spirit of this conference shares similar characteristics to the NGFS' strategic priorities. We both share a desire to improve our existing analytical capabilities, while also continuously looking to expand our knowledge of emerging topics.

5 Conclusion – Economic Opportunities for Africa

To conclude, I would like to emphasise that the transition to net zero carbon emissions can also present significant opportunities for African countries. Africa holds 30% of the

world's critical mineral reserves,⁴ many of which are essential for developing renewable and low-carbon technologies. And, around 60% of the world's most favourable areas for solar power generation are located in Africa.⁵ This gives Africa enormous potential to fuel its future economic growth with renewable energy.

The region is currently experiencing a rapid surge in domestic renewable energy use. Indeed, according to the International Energy Agency (IEA), sub-Saharan Africa is expected to add more than 70 gigawatts of new renewable power between 2025 and 2030 – more than doubling the region's current installed capacity.⁶

This is all the more striking given a lack of investment in the region – sub-Saharan Africa received just 2.3% of global renewable energy investment in 2024.⁷ Attracting more global renewable energy investment would help African countries move away from the carbon-intensive stages of development of today's high-income countries – paving the way towards a sustainable energy future.

With this in mind, please allow me one final thought: In today's environment – shaped by geopolitical tensions, economic fragmentation, and accelerating climate change – let us be cautious not to focus solely on the downsides. I understand this may sound unusual coming from a German, as we are often associated with caution and risk aversion. However, while these challenges undoubtedly present significant risks, they also create opportunities for innovation, investment, and new partnerships.

With this, I will finish and let you enjoy the rest of your lunch break.

¹ SARB moved into their new head office in September 2025. While they don't yet have data on the carbon footprint of the new building, a key intention of the renovation was making the building more energy efficient.

² Central African Banking Commission (COBAC), Banco Nacional de Angola, Bank of Botswana, Central Bank of Eswatini, National Bank of Ethiopia, Central Bank of Lesotho, FSC Mauritius, Banco de Moçambique, Bank of Namibia, Bank of Zambia, Reserve Bank of Zimbabwe, Reserve Bank of Malawi.

³ This statistic comes from the "*Disasters and Policy Stagnation*" short-term scenario - which models severe extreme weather events combined with limited policy action. Africa's GDP could be up to 12.5% below the baseline scenario which is calibrated using the October 2023 IMF World Economic Outlook projections. The difference reflects the direct impacts of floods, droughts, heatwaves, and storms, as well as indirect effects through trade and financial linkages.

⁴ 30% by volume of proven global reserves. Source: UN Environment Programme.

⁵ This figure, based on analysis by the International Energy Agency, refers to areas around the world with particularly high 'solar irradiance' that is, locations where the sun's energy is especially strong and consistent throughout the year.

⁶ This forecast is from the International Energy Agency's '[Renewables 2025](#)' report, their main annual report analysing and forecasting global renewable energy developments.

⁷ Sub-Saharan Africa received just 18bn USD of global renewable energy investment (807bn USD) in 2024, according to the International Renewable Energy Agency and Climate Policy Initiative's 2025 'Global Landscape of Energy Transition Finance' [Report](#).