



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION : POST GRADUATE DIPLOMA IN DEVELOPMENT FINANCE	
QUALIFICATION CODE: 08PGDD	LEVEL: 8
COURSE CODE: FSD820S	COURSE NAME: FINANCING SUSTAINABLE DEVELOPMENT
SESSION: NOVEMBER 2025	PAPER: THEORY AND APPLICATION (PAPER 1)
DURATION: 3 HOURS	MARKS: 100

FIRS OPPORTUNITY EXAMINATION QUESTION PAPER	
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MODERATOR	Dr Canicio Dzingirai

INSTRUCTIONS	
<ol style="list-style-type: none">1. This question paper consists of FOUR (4) questions.2. Answer ALL FOUR (4) questions in blue or black ink only. NO PENCIL and TIPEX,3. Start each question on a separate (new) page and number the answers correctly and clearly.4. Questions relating to this examination paper may be raised in the initial 30 minutes after the start of the examination. Thereafter, candidates must use their initiative to interpret any perceived error or ambiguities, and any assumptions made by the candidate MUST be clearly stated for consideration.	

PERMISSIBLE MATERIALS

1. None

THIS QUESTION PAPER CONSISTS OF 3 PAGES (including this front page)

QUESTION 1**[25 MARKS]**

Finance, economic growth and development		
Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. It is a concept that balances social progress, economic development, and environmental protection. Sustainable development requires aligning financial systems with environmental, social, and economic priorities.		
REQUIRED:		MARKS
a)	Define sustainable development and explain the role of finance in enabling or hindering sustainable development.	5
b)	With the aid of illustrative examples, provide a detailed analysis of the characteristics that makes a financial instrument “sustainable”?	8
c)	Discuss how governments can create an enabling environment for sustainable finance.	12

QUESTION 2**[25 MARKS]**

The role of institutions and regulation		
Fragile economies face unique regulatory challenges due to conflict, institutional weaknesses, and economic instability. In such contexts, financial regulation must strike a careful balance between promoting resilience and supporting inclusive development.		
REQUIRED:		MARKS
a)	State and explain why financial regulation is particularly important in fragile economies.	10
b)	Using illustrative examples, critically assess the role of institutional quality in promoting financial development and sustainable economic growth. NB: Your answer must clearly articulate why institutions may be more important than finance in development context.	15

QUESTION 3**[25 MARKS]**

Challenges and opportunities of sustainable development		
The presence of climate externalities poses a significant challenge to the effective integration of sustainability considerations in finance.		
REQUIRED		MARKS
a)	Define climate externalities and explain why such externalities are often not priced into financial markets.	5
b)	Critically evaluate the limitations of the neoclassical economic models in addressing sustainability challenges such as climate change.	8
c)	Discuss the roles of government, civil society, and corporates in internalising Environmental, Social and Governance (ESG) externalities, highlighting the complementarities and tensions between these actors.	12

QUESTION 4**[15 MARKS]**

Financing sustainable development		
Sustainable investment strategies are investment approaches that explicitly incorporate environmental, social, and governance (ESG) factors into financial decision-making to achieve long-term financial returns while promoting positive social and environmental outcomes.		
REQUIRED:		MARKS
a)	Using example, critically evaluate any three (3) sustainable investment strategies, illustrate how each strategy, integrates Environmental, Social and Governance (ESG) factors into financial decision-making. Also, discuss their strengths and limitations in promoting sustainability.	15
b)	Discuss the role of blended finance in addressing Africa's development financing gap. Hint: Your discussion should define blended finance, explain its key structures and mechanisms, and critically assess the benefits and challenges of blended finance in the African context.	10

END OF EXAMINATION PAPER