

# DBSA Climate Finance Factsheet

DBSA plays a significant role in dealing with the challenges of climate change by **advancing sustainable and environmentally friendly infrastructure solutions**

- Provide dedicated advisory, investment and implementation support to access funds from climate funding mechanisms and blend with DBSA funding
- Support the progressive greening of DBSA's portfolio and enhance the resilience of infrastructure investments
- Support government in meeting its Sustainable Development Goals (SDG) targets and commitments to Nationally Determined Contributions (NDC)

## Climate Finance Solutions

The DBSA's climate finance initiatives involve managing facilities, fund and programmes that promote a greener economy, drive sustainability and development impact and support a just transition to a low carbon economy and adapts to climate change. It does so through the following:

<p><b>GREEN FUND</b></p> <p>The <b>Green Fund</b> is managed by DBSA on behalf of Department of Environmental Affairs.</p> <p><b>Current portfolio:</b></p> <ul style="list-style-type: none"> <li>• 8 capacity development projects</li> <li>• 16 R&amp;D projects</li> <li>• 31 Investment projects</li> </ul>	<p><b>GREEN CLIMATE FUND</b></p> <p>DBSA's accreditation to the <b>Green Climate Fund</b> gives access to funds for low-carbon and climate-resilient development.</p> <p><b>Current portfolio:</b></p> <ul style="list-style-type: none"> <li>• 3 projects</li> <li>• 6 being prepared for consideration</li> </ul>	<p><b>GLOBAL ENVIRONMENT FACILITY</b></p> <p>DBSA is accredited for the <b>Global Environment Facility</b>.</p> <p><b>Current portfolio:</b></p> <ul style="list-style-type: none"> <li>• 6 projects approved</li> <li>• Projects being prepared for Global Environment Facility 7</li> </ul>	<p><b>INTERNATIONAL DEVELOPMENT FINANCE CLUB</b></p> <p>DBSA is an active member of the <b>International Development Finance Club</b> – a network of 23 leading national, regional and international development banks that share a similar vision of promoting of low-carbon and climate resilient futures.</p>	<p><b>GLOBAL INNOVATION LAB FOR CLIMATE CHANGE</b></p> <p>DBSA is a member of the <b>Global Innovating Lab for Climate Change</b>, which supports the identification and piloting of climate change financing instruments and products to catalyze private sector money into Climate Change mitigation projects in developing countries.</p>
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## Climate Finance Facility (CFF)

The DBSA's Climate Finance Facility (CFF) is a lending facility intended to increase climate related investment in Southern Africa by addressing market constraints and playing a catalytic role with a blended finance approach. The CFF will use its capital to fill market gaps and crowd-in private investment, targeting projects that are potentially, but cannot currently attract market-rate capital at scale without "credit enhancement". It will focus on infrastructure projects that mitigate or adapt to climate change.

### Key features:

The CFF is a structured finance platform that will have initial committed debt funding of R2 billion. It will catalyze private sector funding by co-funding alongside developmental and private sector financial institutions to try and achieve a 1:5 leverage. It is a Rand denominated facility targeted and available to co-fund private sector projects in South Africa, eSwatini, Lesotho and Namibia countries in the common monetary union. It does so by offering credit enhancement products in the form of a first loss or subordinated funding and tenor extension (up to 15 years) by taking a blended finance approach with highly concessional funding that is being provided by the Green Climate Fund, the CFF can offer long term competitively priced funding

## Embedded Generation Investment Programme (EGIP)

A credit support mechanism that will develop a model for funding embedded generation renewable energy projects in SA. The projects will be implemented by Independent Power Producers, off-takers and local municipalities.

The R200m programme will help SA achieve its climate targets.

### Key features

- US\$84m of the US\$200m funding will be utilised to provide BBBEE funding to local communities and small medium and micro enterprises in renewable energy.
- EGIP will add 330 MW of new generating capacity, thereby directly avoiding emissions of more than 700 000 tCO<sub>2</sub>e p.a.

## Renewable Energy Independent Power Producers Programme (REIPP)

DBSA, in partnership with Department of Energy and National Treasury has played a key role in developing the market for IPPs through REIPP, which has contributed to increasing energy supply and promoting the global climate change agenda.

DBSA is a key funder in various projects under REIPPP and has invested R12.4 billion in 14 projects, of which R2.5 billion was funding support for nine BBBEE entities and 15 local community trusts.