PRESS RELEASE

Green Economy & Carbon Market Growth Crucial for Africa’s Development


ACAD, a partnership between the United Nations Environment Program (UNEP) and its Risoe Center, the German Government, and Standard Bank, has convened the Forum in association with the UNEP Finance Initiative (UNEP FI) and the Development Bank of Southern Africa (DBSA). ACAD and UNEP FI share the goal to help African financial institutions understand why and how they might get involved in the booming carbon market. The event, which is also co-sponsored by the German Federal Ministry of the Environment (BMU), European Commission and World Bank, was organized by ACAD to help African bankers learn more about carbon finance and to facilitate investment in green development projects across Africa.

The Forum will highlight the need for Public Private Partnerships that develop skills, share opportunities and unlock the huge potential of Africa’s green economy as a growth driver.

“ACAD’s strategy relies on deepening UNEP’s engagement with local financial institutions to jointly develop local capacity, industries and markets on a sustainable basis. Through our seed funding and outreach activities, such as this Forum, we seek to empower Africa’s green entrepreneurs struggling to access the early-stage finance and technical support they need to succeed,” said Glenn Hodes, Senior Energy Economist at UNEP Risoe, which manages UNEP’s activities related to carbon finance and the Clean Development Mechanism (CDM).
and which has a pivotal role in facilitating the participation of developing countries in the emerging carbon market.

“Climate change poses a new challenge and so it has to be addressed using new tools. We use carbon finance to provide wide-ranging economic, environmental and social benefits to Africa - including new revenue streams, access to energy, job creation and technology transfer - by deploying local, market specific solutions and partnerships,” said Geoff Sinclair of Standard Bank’s carbon trading division.

The meeting comes in the run-up to the COP-16 in Cancun, and COP-17 which is to be hosted in South Africa next year. The time is considered ripe to demonstrate that climate change can also represent an opportunity for Africa, and that African financial institutions have a role to play. To this end, DBSA is developing integrated programmes and mobilising resources to initiate the transition to a low carbon and green economy in partnership with several national government departments.

Chantal Naidoo, Divisional Executive from DBSA added: “We feel strongly that events like this Forum are fundamental to tapping the continent’s carbon investment potential - which could directly contribute toward sustainable economic development and social advancement. The challenge for banks, including those in South Africa, has been in developing strategies and financing partnerships to get the good projects off the ground and to educate the proponents on how to ensure their interventions are sustainable and replicable. These questions are being answered here today.”

Powering development through sustainable energy is a major cornerstone of the DBSA response strategy - dedicated funding lines are available for both South Africa and the rest of SADC for investment projects in sustainable energy accessible to municipalities and private developers.
In 2009 around US$84 billion was invested in 684 emerging market emissions reduction projects worldwide. But African countries shared only 2% of the total and only South Africa and Kenya have more than 10 projects in the CDM pipeline, according to statistics from the UNEP Risoe Center.

Even without any additional stimulus, the 140 sub-Saharan African projects currently in the CDM pipeline would create 85 million carbon credits worth over US$1.25 billion by 2012.

Today, both the public and private sector are now placing more focus on sustainable development initiatives, and the Green Economy in particular.

“Entrepreneurs can transform markets, but support for eco-entrepreneurship remains weak in many countries, particularly across Africa. Developing private sector skills and mainstreaming the concepts across commercial finance and investment are key to realizing Africa’s abundant renewable energy and climate mitigation potential is critical,” said Brigitte Burnett, CSR Director at Nedbank and Chair of the UNEP FI African Task Force.

Over 150 participants from 20 countries across Africa attended the forum, held at the DBSA Vulindlela Academy in Johannesburg. For more information about ACAD please contact:

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About Announced ACAD supported Projects:

ACAD has received over 70 applications for its first round of funding and has already selected 10 innovative projects for grant funding and technical assistance in five different sub-Saharan countries. Among these include the following:

**SOUTH AFRICA - International Ferro-Metals Cogeneration Facility**
A first-of-its-kind project for Africa, this new cogeneration facility will produce 17.1 MW of “autonomous” clean power at Buffelsfontein plant from captured waste gas. The project will result in an improvement of local air quality and up to 200,000 tons of GHG reductions a year. ACAD is supporting the project to earn carbon credits under the CDM to gain Gold Standard certification.

**SOUTH AFRICA – Clay Brick Energy Efficiency**
This integrated more efficient brick manufacturing project is being developed by a Consortium of small and medium enterprises. Transition to Vertical Shaft kiln technology has the potential to reduce energy and carbon emissions in the production process by at least 33%. ACAD is working with the consortium to devise a bankable financing structure for a programmatic carbon project.

**RWANDA – NURU Lights project**
NURU Lights is a Rwandan company, which together with Carbon Africa, a carbon development company based in Nairobi, is developing a sales and distribution network for LED-powered lighting in Rwanda and neighboring countries through a network of independent vendors and micro-finance organizations. NURU’s portable, modular lighting system has won numerous prestigious competitions and awards for technological innovation. With the support carbon credit revenue, the project can scale up beyond a pilot phase and replace kerosene lamps used in rural areas, which are prohibitively expensive, bad for the environment, and detrimental to respiratory health. Currently $18 billion is spent by households in sub-Saharan Africa each year on kerosene, candles, and batteries for conventional lighting services, which indicates a huge market opportunity at the bottom of the economic pyramid. The NURU CDM project also involves dissemination of the world’s first commercially available, local assembly ready pedal generator kit. With minimal human exertion (approx. 60 rpm pedaling) 70W of power can be generated allowing 5 LED POD lights to be docked and recharged at a time. The project is expected to reduce approximately 30,000 tonnes of CO2 emissions per year.

**KENYA - Lake Turkana Wind Power Project**
As one of the largest renewable energy generation projects on the African continent to have achieved financial closure, the project aims to provide clean power to approximately 2 million households in Kenya. ACAD will support project validation costs and help the project to obtain CDM Gold Standard status. The project would be the first wind power CDM project registered in sub-Saharan Africa.

**KENYA - Kaloleni Cement Plant, Athi River Mining Co.**
ACAD is supporting carbon investment feasibility assessments for reduction of coal consumption in a cement plant through energy efficiency measures and potential fuel switching with locally available biomass resources.

KENYA – Terem Hydropower Project
Construction of a small-hydro plant in rural Western Kenya, including grid extension and provision of lower cost energy supply than typical for new connections. Will be developed along a “programmatic” based approach to CDM, whereby additional facilities can be included into the carbon project. Terem will reduce approximately 10,000 tons of CO2/year.

NIGERIA – Oando LPG Rollout Nigeria Project
ACAD is working with one of Africa’s largest indigenous oil & gas companies to establish a roll-out program for disseminating clean LPG canisters that will replace kerosene, charcoal and wood from non-renewable sources. This fuel switching initiative will target 1.75 million households in the first 5 years of operation, assisting initial capital expenditure for clients by collaborating with microfinance organizations.

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About ACAD
ACAD is a public private partnership between UNEP and African banks funded by Germany’s International Climate Initiative that aims to stimulate the growth of Africa’s carbon market through investor outreach and seed capital. Through the support of sustainable green business models, ACAD is helping to transform the African carbon market and to reframe investor perceptions on the ability of African entrepreneurs to compete globally. About US $0.75 million do you mean US$750,000 will be directed for seed financing in 2010.

For further information visit: www.acadfacility.org
About DBSA

The Development Bank of Southern Africa is a leading Development Finance Institution (DFI) in Africa South of the Sahara, playing the roles of Financier, Advisor, Partner, Implementer and Integrator. The Bank has total assets under management of R45.1bn (2010) with primarily a municipal client base. The Bank maximizes its contribution to sustainable development by mobilizing financial, knowledge and human capital to support Government and other development role-players in improving the quality of life of people in the region through funding infrastructure projects; accelerating the sustainable reduction of poverty and dependency; and promoting broad-based economic growth and regional economic integration.

For further information visit:
www.dbsa.org

About UNEP and UNEP's Risoe Center

UNEP is the United Nations system’s designated entity for addressing environmental issues at the global and regional level. In the area of climate change, UNEP’s approach aims at reducing barriers to market development and easing the costs and risks of entry of new actors in both the public and private sector.

The UNEP Risoe Center (URC) is leading UNEP activities related to carbon finance and the Clean Development Mechanism (CDM). The URC has played a pivotal role in facilitating the participation of developing countries in the emerging carbon market, focusing on support for capacity building, and piloting new approaches. It conducts analysis to strengthen emerging sectors in CDM, and implements country-level and regional activities aimed at enhancing a more equitable regional distribution of carbon project activities. Contributing funding from UNEP’s capacity-building program on MEAs in the ACP program will allow African CDM project developers seeking finance for their activities to participate and pitch their projects to interested financiers. The CDM capacity building component of this program is implemented by the UNEP Risoe Center.

For further information visit:
www.unep.org or www.uneprisoe.org or http://www.acp-cd4cdm.org

About Standard Bank

Rooted in Africa with strategic representation in key sub-Saharan and other emerging markets, Standard Bank is a bank with a global sweep. The holding company is based in Johannesburg, South Africa, and listed on the securities exchange operated by the JSE Limited as Standard Bank Group Limited. It has been a mainstay of South Africa’s financial system for more than 145 years. Standard Bank is a leading African banking group focused on emerging markets globally which now spans 17 countries across the African continent and 16 countries outside Africa. The international expansion has taken it to key financial
centres of the world including Brazil, Russia and China. Standard Bank’s equity is widely spread. At 30 June 2010, Industrial and Commercial Bank of China (ICBC) held 20,0% followed by The Public Investment Corporation holding 13,1%.

Standard Bank’s Corporate and Investment Banking division is a leading global emerging markets corporate and investment bank and offers its clients banking, trading, investment, risk management and advisory services in developing economies throughout the world. It has specific sector expertise in industries relevant to its global footprint, with strong sector value propositions in: mining & metals; oil, gas & renewables; telecommunications & media; power & infrastructure and Financial Institutions.

Standard Bank Plc in London is the bank’s principal international subsidiary. It is authorised and regulated by the Financial Services Authority, and is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange, the London Platinum and Palladium Market and the New York Mercantile Exchange (COMEX Division). Through its branch in Tokyo, it is also a member of the Tokyo Commodities Exchange (TOCOM). It has major trading affiliates in Brazil (Banco Standard de Investimentos S.A.), Argentina (Standard Bank Argentina S.A.), and Hong Kong (Standard Bank Asia Ltd.)

Key facts and figures
- Standard Bank Group asset base of R1 321 billion ($173 billion) at 30 June 2010
- Market Capitalisation of approximately R162 billion ($21 billion) at 30 June 2010
- Employs more than 50,000 people world-wide (including Liberty)
- The bank’s long-term ratings are: Moody’s A3, Standard & Poor’s BBBpi, Fitch Ratings BBB+. The South African sovereign ratings are: Moody’s A3, Standard & Poor’s BBB+, Fitch Ratings BBB+

For further information visit:
www.standardbank.com/cib

About UNEP Finance Initiative
UNEP FI is a global partnership between UNEP and the financial sector. Over 190 institutions, including banks, insurers and fund managers, work with UNEP to understand the implications of climate change and other sustainability factors on financial performance, the roles of the finance sector in addressing climate change, as well as to advance the integration of climate change factors – both risks and opportunities – into financial decision-making. Through a comprehensive work programme encompassing research, training, events and regional activities, UNEP FI carries out its mission to identify, promote and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.

For further information visit:
www.unepfi.org