



# Clean Energy

## SDG alignment of clean energy projects (as at December 31, 2019)

### Primary SDG alignment

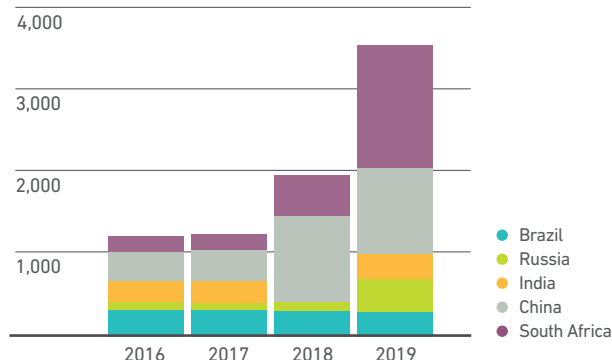


### Direct contribution to additional SDGs



## Cumulative approvals for clean energy projects (as at December 31)

USD m



# USD 1.6 bn

Approved by NDB in 2019 for clean energy projects

NDB is fully committed to supporting its member countries' development efforts to embark on a more sustainable energy path. In order to facilitate the structural transformation of the energy sector, the Bank places special emphasis on the adoption of innovative technologies in its operations. This includes the use of emerging renewable energy technologies, such as offshore wind and distributed solar energy generation, as well as the upgrade of existing energy facilities using state-of-the-art technologies to achieve greater efficiency and reduce pollution.

In 2019, NDB approved five loans totalling USD 1.6 billion to support clean energy projects in its member countries, both directly and through financial intermediaries.

- In South Africa, where the energy sector is at the heart of the country's development strategy, the Bank approved two additional loans to Eskom Holdings SOC Ltd (Eskom), a state-owned electricity utility that generates approximately 95% of the electricity used in the country.<sup>45</sup>

- A loan of USD 480 million was approved to support the retrofit of flue gas desulphurisation equipment on an existing thermal power plant of Eskom. The main objective of the project is to reduce the power plant's sulphur dioxide (SO<sub>2</sub>) emissions from the current level of 3,500 mg/m<sup>3</sup> to below 500 mg/m<sup>3</sup> by 2026 to be in compliance with national environmental regulations.
- Another loan of ZAR 6 billion was approved for setting up Eskom's battery energy storage system, comprising 360 MW/1,440 MWh of distributed battery storage sites across four provinces in South Africa. This innovative battery energy storage system, the first of its kind in the African continent, can help address South Africa's electricity supply-demand mismatch by allowing energy to be stored during off-peak periods and released during peak periods.

<sup>45</sup> These loans are a continuation of NDB's engagement with Eskom, which includes a USD 180 million loan approved by the Bank in 2016.



Battery energy storage system

Over the year, NDB continued to support the development of the renewable energy sector in its member countries by leveraging financial institutions of various types:

- In **Russia**, the Bank is committed, through a USD 300 million loan to EDB, to support the installation of renewable energy generation capacity, using wind, solar, and small hydropower energy technologies to improve the country's energy mix and avoid CO<sub>2</sub> emissions.
- In **India**, NDB approved a USD 300 million loan to REC Limited to finance the construction of renewable energy power plants and associated evacuation transmission lines. This will help reduce the country's reliance on thermal power, which is a main contributor to carbon emissions and air pollution.
- In **South Africa**, the Bank approved a ZAR 1.15 billion loan to the Industrial Development Corporation (IDC) for on-lending to renewable energy power projects, including independent power producers, which will support the country's efforts to diversify the energy mix away from coal, shifting towards a less carbon-intensive and more resilient development trajectory.

By the end of 2019, NDB had cumulatively approved USD 3.5 billion through 14 operations to support clean energy projects across all member countries. These operations, accounting for 24% of the Bank's cumulative approvals, are aligned primarily with SDG 7 on Affordable and Clean Energy, and may also contribute directly to SDGs 9, 11, 12 and 13.

## 23%

Share of clean energy projects in NDB's cumulative approvals as at December 31, 2019