

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Greenhouse Gas Emissions Reduction and Energy Sector Development Project
Country	The Republic of South Africa
Type	Non-Sovereign
Area of Operation	Clean Energy & Energy Efficiency
Concept Approval Date	7 May 2018
Financing Approval Date	20 July 2018
Total Project Cost	USD 2.5 billion
Initial Limit of NDB Financing	USD 300 million
Current Limit of NDB Financing	USD 300 million
Borrower	The Development Bank of Southern Africa
Project Entity	The Development Bank of Southern Africa
Project Context	<p>South Africa is on the trajectory of greener and more sustainable development in the backdrop of improved domestic macroeconomic environment. Reducing carbon emissions and deviating from fossil fuel based energy sources have been included in the national strategy. In particular, South Africa committed to reduction in greenhouse gas emissions from its emissions growth trend by 34% in 2020, and by 42% in 2025, under the United Nations Framework Convention on Climate Change in 2009. Following this commitment, the National Climate Change Response White Paper (2011) outlined the target of reducing the country's annual greenhouse gas emissions to a range between 398 and 614 million metric tons of CO₂ equivalent by 2030. To realize these goals, the National Financial Intermediary, The Development Bank of Southern Africa (DBSA) was an important contributor, as DBSA has been historically playing a significant role in South Africa's energy sector and devoted about 48.5% of its loan portfolio to the sector alone. In this context, the Greenhouse Gas Emissions Reduction and Energy Sector Development Project (the Project) was designed with financing from NDB to DBSA to support renewable energy projects in South Africa and help the economy to shift to a more sustainable energy path through structural transformation of the energy sector with emerging renewable technologies.</p>

Project Description	The NDB loan was in the form of a two-step loan of up to USD 300 million to DBSA, which in turn was on-lent to its identified subprojects, including the wind, solar, and biomass energy sectors.	
Project Objective	The objective of the Project was to facilitate investments in renewable energy that would contribute to power generation mix and reduction in CO2 emissions in South Africa, in line with the South African Government's Integrated Resource Plan 2010 and its target of reducing greenhouse gas emissions as articulated in the National Development Plan 2030.	
Implementation Arrangements	The Project was implemented between 2019 and 2024. Suppliers for the Project were selected through competitive and transparent bidding process.	
Environmental and Social Information	The Project achieved substantial developmental outcomes through its subprojects, notably by delivering significant environmental and social benefits. These include a reduction in carbon dioxide emissions, enhanced generation capacity from renewable energy sources, and improved overall efficiency within South Africa's energy sector. Additionally, the Project played a critical role in catalyzing private sector investment and expanding the availability of long-term financing for energy projects in the country. In line with the NDB Environment and Social Framework (ESF), the Project was classified as "FI" due to financing being channeled through a financial intermediary. Individual subprojects were predominantly categorized as "Category B" in accordance with the NDB ESF. NDB retained the authority to review the environmental and social categorization assigned by the DBSA; any subproject classified as "Category A" required explicit approval from NDB. Furthermore, all supported subprojects were required to adhere strictly to South Africa's applicable environmental and social regulations, as well as to comply with the relevant standards and provisions established under the NDB ESF.	
Financing	NDB provided a loan without sovereign guarantee to the national financial intermediary DBSA with an amount up to USD 300 million. NDB financing did not exceed 50% of subproject's costs, unless otherwise agreed by NDB.	
	Source of Fund	Amount (USD million)
	New Development Bank	300
Contacts	NDB	Borrower and Project Entity

	Africa Regional Centre Tshifhiwa Mukwevho	DBSA Craig Bezuidenhout Capitalmarketunit@dbsa.org
--	--	--