

NEDBANK EXPANDS ITS GREEN-FUNDING REACH AND IMPACT WITH \$200M IFC LOAN

March 2021 – At the end of 2020 the progress reports delivered by most of the countries that have committed themselves to the achievement of the UN Sustainable Development Goals (SDGs) by 2030 made for difficult reading. Most revealed that they were experiencing a variety of challenges that had caused them to fall behind on their planned SDG trajectories.

This is especially true in developing economies, where contributing to the SDGs is generally constrained due to a lack of implementation capacity, which requires substantial financial resources. South Africa is no stranger to this fiscal balancing act, but a recent agreement between the International Finance Corporation (IFC) and Nedbank Corporate and Investment Banking (CIB) will contribute to enhancing the investment scales in favour of sustainable development into the future.

That's according to Arvana Singh, Head of Sustainable Finance Solutions at Nedbank CIB, who explains that the US\$200 million loan facility procured by CIB will help to complement Nedbank's already well-established green-finance operations, grow its climate portfolio and expand its support of renewable-energy projects that are key to the continued evolution of SA's green economy.

'This partnership between Nedbank CIB and the IFC is more than just a loan facility,' Arvana explains. 'It represents an endorsement, by a member of the World Bank Group, of Nedbank's proven leadership in the funding of renewable-energy projects that are helping the country transition to cleaner power, reduce its greenhouse gas emissions, create jobs in the renewables sector and contribute meaningfully to the achievement of the SDGs.'

Arvana says that the loan agreement aligns with the shared commitment of the IFC and Nedbank to contribute to the development of a robust and sustainable climate finance market in South Africa that, in turn, will underpin national government's strategic objective of moving the country to a lower carbon economy.

The SA government has a stated target of reducing the country's greenhouse gas emissions by 42% by 2025, an achievement that requires a step change in energy production from fossil-fuel dependency to large-scale reliance on renewable resources," Amith Singh, Head of Energy Finance explains, 'and this transition, within tight time constraints, demands access to innovative funding mechanisms such as the IFC loan.'

Amith also highlights that the \$200 million loan affords Nedbank the opportunity and leverage it needs to add much more value to the renewables sector and the country's sustainable development efforts in general.

'At Nedbank CIB we see our role in terms of South Africa's sustainable development journey as money experts who do good,' says Arvana, 'we also believe that we have significant value to offer in terms of our reach and influence as a financial institution, our experience in renewables and other sustainable projects, and our proven commitment to partnering with all stakeholders in the country's green economy to unlock shared value and benefits.'

She says that investment capital unlocked by the IFC partnership means that Nedbank CIB has the opportunity and means to expand its reach as a sustainable development champion, enabling the much-needed rollout of renewable-energy projects at scale in the coming years but, most importantly, doing so in a way that also delivers a lasting positive social and environmental impact.

Ends.