How do you make the private sector provide climate finance?

Africa Carbon Forum, 2013
A quick introduction to Standard Bank Group / Stanbic

- Over 150 years of experience in Africa
- Largest bank in Africa by assets
  - Over 40,000 employees in Africa
  - Headquartered in Johannesburg
- Unrivalled knowledge of sub-Saharan Africa
- On-the-ground presence in 17 countries
- Total Assets approximately $202 billion (Dec 10)
- Emerging markets focus and global footprint: Brazil, USA, London, China, SE Asia, Russia
- Active participant in CDM
  - In market since 2002
  - Financing CDM projects and portfolios
  - Trading
  - Working to assist the broader development of African CDM/carbon markets
- Extensive renewable energy finance activity
$ into climate finance

- $3 billion into CDM projects globally
- 2012: $1.1 billion into South African renewable energy projects
- Major player in other Anglophone and Lusophone African clean energy transactions
- 2013+: $2.2 billion SA renewable energy finance facility
What makes private finance possible?

- Pricing that makes clean energy profitable
- Long-term, reliable and legally binding regulation
- Separation of electricity supply from grid operation/power purchase
- Creditworthy power offtaker
- Acceptable country risk
What do we need to create enabling conditions?

- “All of the above”

- Where one or more don’t exist:
  - We partner with development banks
  - We ask for help
  - We don’t really need more “mechanisms” and would prefer that the existing ones worked

- Useful ways to stimulate private finance include:
  - Risk sharing guarantees
  - Getting the right conditions in place – including capacity building
  - Refinancing guarantees
  - CMIA paper: www.cmia.net
Contact details

Standard Bank Plc
20 Gresham Street
London EC2V 7JE
United Kingdom

Geoff Sinclair, Fenella Aouane, Kate McDougall
Climate Finance and Carbon Trading
+44 (0)203 145 6890
co2@standardbank.com
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