

Development Bank of Southern Africa and World Economic Forum launch Community Report on Ways to Mobilise Investments for Clean Energy in South Africa

The Development Bank of Southern Africa is dedicated to actively participating in a Just Transition to achieve net zero emissions by 2050. This commitment includes undertaking activities and initiatives that contribute to the global goal of reducing greenhouse gas emissions to net zero, while fostering a more inclusive economy for marginalised communities and addressing the impact on workers affected by the shift away from certain sectors.

In collaboration with the World Economic Forum (WEF), supported by Accenture, on the 13 June 2024, the Bank co-hosted the roundtable on “Mobilising investment for clean energy in South Africa.” The event convened over 80 public and private sector stakeholders to drive forward South Africa’s clean and Just Energy Transition. Among others, the roundtable was attended by Boitumelo Mosako (Chief Executive Officer, DBSA), Brian Dames (Chief Executive Officer, African Rainbow Energy and Power), Tshifhiwa Bernard Magoro (Chief Executive Officer, Independent Power Producers Office), Sim Tshabalala (Chief Executive Officer, The Standard Bank Group Limited) as well as a number of representatives from the National Treasury, Ministry of Electricity, and Department of Trade, Industry and Competition.

The event marked the launch of the report, “Mobilising Investment for Clean Energy in South Africa”. Between the improvements needed in the transmission infrastructure, and the investment in clean energy, the report estimates that a whopping ZAR +600 billion (USD 32.9 billion) will be required until 2030 to set the country on a just energy transition pathway.

A comprehensive analysis of the current landscape and future opportunities for clean energy investments in South Africa is offered. The report notably outlines recommendations to enhance the investment environment in the country, in the form of four key regulatory and policy actions that could help make the country a more enticing environment for clean energy capital. It goes on to propose five non-policy solutions that will be implemented by local players in the months ahead: from setting up first of a kind credit guarantee and credit facilities for Small Scale Embedded Generation (SSEG), to programmes that can improve awareness of sustainability- and transition finance instruments. A special emphasis is also put on mutualised efforts between industrial players, with for instance the announcement of a new Clean Hydrogen Innovation Consortium as well as discussions around the power of industrial clusters in formalising transition commitments and catalysing finance.

The roundtable underscored the role of strategic investments in enabling a sustainable and equitable energy transition. Stakeholders had the opportunity to engage in discussions, share insights, and collaborate on actionable steps to drive forward the clean energy agenda.

“As a leading DFI in the region, the DBSA is well placed to ensure that a transition to a net zero target is a Just Transition. This means that the DBSA will provide financial and technical support across the value chain of the country’s transition towards a greener economy from project preparation support to facilitate bankable feasibility to financing projects that complement the country and the region’s transition journey. ,” said Catherine Koffman: Group Executive: Project Preparation.

Over the years, the DBSA has made a concerted effort to address climate change and contribute to the broader low-carbon aspirations of South Africa and the rest of Africa by supporting and investing in initiatives aimed at climate change mitigation and adaptation.

“A clean energy transition has become a top priority to combat global energy challenges. However, South Africa’s renewable energy policies and strategies fall short on sustainability. The energy demands require innovative solutions that also consider the environment. Our work in the energy sector helps strengthen the private sector’s role in driving clean energy solutions to provide renewable power at the same time reducing greenhouse gases, which are detrimental to the environment,” concluded Koffman.

The report concludes a joint effort from the DBSA and the World Economic Forum, supported by Accenture, to tackle the pressing need for increased investment in South Africa’s clean energy sector. This collaboration led to the formation of a public-private working group comprising more than 50 experts from the energy and finance sectors. The group’s mission was to identify challenges and propose both policy and non-policy solutions to unlock capital for clean energy projects aligned with national priorities. The roundtable served as a crucial platform to review and deliberate on the progress made in the nation’s energy and industrial transitions.

Roberto Bocca, Head of the World Economic Forum Centre for Energy and Materials said, “South Africa’s commitment to a clean energy transition and net zero future is commendable. We are excited to have worked with business, civil society leaders and representatives from the public sector to surface key policy and non-policy solutions that can help position the country as a destination of choice for clean energy capital. We hope that insights from this exercise can support additional just energy transition efforts in South Africa and beyond.”

Miguel G. Torreira, Global Utilities Strategy Lead at Accenture added “South Africa’s many strengths, including its vast renewable resources and well-developed capital markets, provide a solid foundation for transitioning to a sustainable energy model. We are proud to have worked with our partners to identify the key enablers needed to further unlock South Africa’s potential and address its challenges. We are confident that they can create an enabling environment for further clean energy investment, technological innovation and public-private partnerships.”

In the coming months, organisations involved in this work will be leading their respective proposed solutions, as highlighted in the report.

Source: Catherine Hoffman - <https://www.ebnet.co.za/development-bank-of-southern-africa-and-world-economic-forum-launch-community-report-on-ways-to-mobilise-investments-for-clean-energy-in-south-africa/>

Date Published: June 14, 2024