

 Early Warning System

IFC-606039

30 x 30 South Africa



Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Sectors	Agriculture and Forestry, Climate and Environment, Finance
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 3.96 million
Project Cost (USD)	\$ 3.96 million



Project Description

As stated by the IFC, while the program interventions are interlinked, since they all contribute towards a similar goal of increasing climate finance and decreasing financed emissions, they can be divided into 4 separate components. The World Bank program will also deliver a 5th in collaboration with the program.

1. Component 1 - Climate risk management and pricing by regulators (WB):

This component is not a deliverable of the IFC program but will be achieved by the World Bank through their collaborative input.

1. Component 1 - Climate risk management and pricing by regulators (WB):

The Prudential Authority and the South African Reserve Bank (SARB) are both members National Treasury Climate Risk Forum Steering Committee that is hosted by the Banking Association of South Africa (BASA) and chaired by National Treasury. The SARB chairs the climate risk working group which is developing a benchmark climate risk scenario for use in stress tests by the sector, starting with insurance companies and banks. Further details of the work of the Committee are contained in the Problem Statement.

2. Component 2 - Climate thematic bond development, pension fund capacity building and climate financing through financial instruments (IFC-FIG): 30 by 30 SA's work with the capital market and other investors will focus on the following areas, with an overall objective of increasing the issuance of climate thematic bonds as well as other climate themed financing.

3. Component 3 - Growing low-carbon and climate resilient financing through the development of credible pipelines and products with participating banks (IFC).

4. Component 4 - Climate smart and resilient action plans in South Africa's agricultural sector (IFC-CBD).

5. Component 5 - Project coordination and knowledge sharing in and outside South Africa.

Scaling Up Climate Finance through Greening the Financial Sector ("30 by30 zero" or the "Program") is an IFC-led global program in collaboration with the World Bank (WB). The main objective of the IFC Program is to scale up private sector climate financing whilst the WB, through its collaborative activities from its separate program will assist financial regulators (SARB/ PA) to understand and mitigate climate related financial risks faced by financial institutions. In South Africa the program aims: i) to increase the green/climate portfolio share of participating banks from approximately 2% to 3.5% share of total portfolios, by the end of 2027 (equivalent to a growth in the outstanding climate finance loan portfolio of participating banks of \$3.7b). ii) to facilitate at least \$600 million climate investments by IFC with banks in South Africa by 2027 iii) to facilitate at least \$200 million raised through climate thematic bonds issuance or other climate financing instruments by 2027



Investment Description

- International Finance Corporation (IFC)



Contact Information

No project contacts provided at the time of disclosure.

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