

***LIBREVILLE, December 12 (Infosplusgabon) - The Board of Directors of the African Development Bank Group has approved a \$1 billion guarantee program in collaboration with the UK Foreign Commonwealth and Development Office (FCDO), which will allow the Bank to increase its lending capacity in support of South Africa's Just Energy Transition (JET).***

Developed in close collaboration with the government of the Republic of South Africa, the program will support projects aligned with South Africa's JET investment plan, such as transmission and grid-balancing storage, renewable energy generation, energy efficiency, rehabilitation of municipal electricity delivery, green hydrogen, new electric vehicles. It also includes projects addressing the "just" dimension, notably in the Province of Mpumalanga, in the north-eastern part of the country, bordering Swaziland and Mozambique.

We are pleased with the approval by the AfDB Board of the guarantee framework that will increase South Africa's access to funding from the Bank by \$1 billion.

The approval, coming during COP28, where ramping-up climate finance is an issue, is timely and topical. African Development Bank Vice President for Power, Energy, Climate and Green Growth, Dr. Kevin Kariuki observed: "this is another innovative operation that reaffirms AfDB's leadership in crafting financial solutions to increase access to climate finance for Africa's low carbon development and net zero ambitions."

Melinda Bohannon, Foreign Commonwealth and Development Office Director General of Humanitarian and Development stated, "FCDO remains committed to the Just Energy Transition Partnership with South Africa, which supports green growth and jobs, improves energy security, and helps South Africa achieve its carbon reduction ambitions as set out in its National Determined Contribution. This guarantee will unlock funds for projects within the remit of South Africa's recently released Just Energy Transition implementation plan. This comes alongside the recently significantly increased grant offer from the International Partners Group, and we are using some of those grants to help develop an investment project pipeline".

Mmakgoshi Lekhethe, Deputy-Director General for Asset and Liability Management in South Africa's National Treasury commented, "We are pleased with the approval by the AfDB Board of the guarantee framework that will increase South Africa's access to funding from the Bank by \$1 billion. This marks an important partnership between our government, the UK and AfDB to enhance our ability to implement South Africa's just energy transition in a way that is just and socially responsible. We look forward to working closely with the AfDB on the preparation and financing of a pipeline of programs and projects under our just transition priority areas, including those identified in the JET Implementation Plan. As a development bank with vast experience in just transition in the continent, the AfDB is an ideal partner for us on this important initiative".

Max Ndiaye, Director of Syndications, Co-financing and Client Solutions, noted previous collaboration between the Bank and FCDO, and applauded this transaction as further demonstration of the Bank's continued efforts to heed the G20 recommendations on capital adequacy that call for increased collaboration and additional shareholder support for the balance sheet optimization of MDBs.

"By enabling the Bank to increase its lending capacity, this landmark guarantee agreement will greatly support South Africa's Just Energy Transition," noted African Development Bank Director General for Southern Africa, Leila Mokaddem. "The African Development Bank remains committed to accompanying South Africa on this important journey," she added.(Source :African Development Bank Group (AfDB)).

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