

Standard Bank is cleanest and greenest

Standard Bank, the country's biggest banking group in terms of assets, has been ranked the 12th 'greenest' bank in the world and the cleanest in Africa by Bloomberg Markets.



According to Bloomberg, the biggest gain in renewable energy came from Standard Bank, now ranked 12th after agreeing to underwrite US\$1.1bn in government-approved projects, including US\$314m for solar parks.

"As Europe scales back and the US regroups, such initiatives may become the seeds that sustain growth in the green business environment," it said. This was the third annual ranking by Bloomberg Markets to assess the top 40 global banks based on their lending to clean-energy projects and a reduction in their own power consumption and carbon footprints.

Alastair Campbell, executive vice president, power and infrastructure finance at Standard Bank, says the bank's entry to the rankings is the result of three years of behind-the-scenes work that started when the government first announced the renewable energy programme that evolved into the current renewable energy independent power producer (REIPP) programme.

"We have taken a proactive approach to this strategic and socially important sector and actively sought out deals to underwrite. We're delighted to have our commitment acknowledged with this ranking," he says.

The South African government's strategy envisages 3,725 MW of electricity being tendered for in the first three years and it is clear that the scale of funding for this is enormous, with estimates of between R60bn and R70bn being needed for capital expenditure.

Standard Bank's ranking was partly based on its success in first round of the REIPP procurement process, after it backed a total of 11 wind and solar projects valued at R9.4bn.

In the second round of bids, the bank provided funding for seven project (out of 19) valued at R7.1bn.

In the first round, Standard Bank underwrote contracts worth R9.4bn in debt, and provided interest and currency hedges, carbon trading credits, and corporate bonding and guarantee facilities. Its clients will produce 338MW of wind power and 235MW of solar photovoltaic (SPV), power out of the total of 1,416MW a year expected from these projects.

Bidding rounds are scheduled to take place annually until the initial allocation of 3,725MW has been awarded.

Standard Bank recently signed a R20bn funding support agreement for renewable energy projects in South Africa with the Industrial and Commercial Bank of China (ICBC), the bank's largest shareholder.

Campbell contends that the procurement process used in South Africa is likely to be used as a blueprint for the other project in sub-Saharan Africa where countries such as Morocco, Kenya, Namibia, Botswana and Ghana are preparing for the roll-out of comprehensive renewable energy programmes.

As part of the ranking process Bloomberg looked at what banks are doing to reduce their own environmental impact and Standard Bank's rating was boosted by its new Rosebank building, which has a five-star rating from the Green Building Council of South Africa.

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