
Discussion on next steps for ‘SADC Climate Finance Mobilization and Access Strategy’

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Technical Annex and Project Pipeline



Key areas of SADC climate strategy

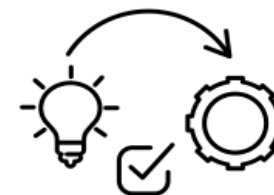
Includes:



Reduced complexity
in accessing climate
finance & fund impl.
of existing strategies



Signalling for wide scale
financing approaches &
policy incentives



Climate finance
windows (RDF) &
facilities for SADC



Enhanced
cooperation &
resource mob.
capacity in region



Regionally
controlled
Emissions Trading
System



Monitoring &
tracking of
finance
(CPIERs)



Further policy areas for review going forward

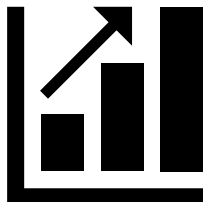
Policy Area	Policy	Instruments	Examples
Fiscal Policy Tools	Carbon pricing, regulations	National carbon taxes, cap-and-trade (CaT) and emissions trading systems (ETS), emission or energy efficiency standards	Sweden carbon tax, California CaT, EU ETS, national feebates, EU regulations
	Public spending and investment	Public investment, social spending, lower labor or capital taxes	EU Infrastructure Investment Plan
	Public-private partnerships	Partnership between private sector, government, development bank, long-term institutional investor	China Development Bank-Urban Development Investment Corporation
	Public guarantees	Loan commitments, credit or cash flow guarantees, multi-sovereign guarantees	World Bank Multilateral Investment Guarantee Agency (MIGA), European Investment Fund guarantee schemes
Financial Policy Tools	Redressing underpricing and lack of transparency of climate risks	Gathering climate-related financial data, climate-related risk disclosures, taxonomy of green assets, climate-related stress tests, macroprudential tools	Bank of England Supervisory Statement on Climate Change, France Article 173 of Energy Transition Law, Banco Central do Brasil, China mandatory disclosures
	Reducing short-term bias and improving governance frameworks of financial institutions	Prudential reforms, corporate governance reforms	Promotion of ESG criteria
	Supporting the development of green financial securities	Standardized taxonomy of green assets, low-carbon indices, platforms and active issuance by authorities	PBoC national-level green bond taxonomy
	Actively promoting climate finance using financial regulatory tools	Green supporting and brown penalizing factors in capital requirements, international requirements of min. amount of green assets on balance sheets, notional carbon prices	PBoC macroprudential policy framework, Banque du Liban reserve requirements
Monetary Policy Tools	Integrating climate risk analytics into collateral frameworks, central bank portfolio management, and QE	Developing own risk assessments, ensuring climate risks appropriately reflected in central bank asset portfolios	Bank of England, Bank of Japan, EIB bonds, Bangladesh Bank, DNB, Norges Bank
	Green QE and collateral frameworks	Better access to central bank funding schemes for banks that invest in low-carbon projects, central bank purchases of low-carbon bonds issued by development banks	
	Credit allocation policies	Central bank credit allocation operations, adapting monetary policy frameworks	PBoC, Res. Bank of India, Bangladesh Bank



= Examples provided at this Inception Workshop SADC

Source: IMF (2019)

Next steps for NBF-SADC



Nov 2019 – Feb 2020

- Outline of Strategy and Annex
- Data collection and review
- Consultations
- Zero order draft Strategy and Technical annex

Actions

- Provision of national data
- Technical feedback
- Information exchange



March 2020

- Validation workshop
- Final draft of the Strategy and annex

Actions

- Participation in the validation workshop
- Identify strategic areas to implement based on regional priorities.

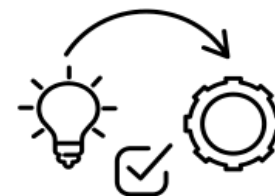


April - Sept 2020

- Incorporation of comments.
- Adoption of final draft Strategy by CC country experts and endorsement by SADC*

Actions

- Presentation of to final draft to SADC.
- Prepare outreach plans.



Sept – Dec. 2020

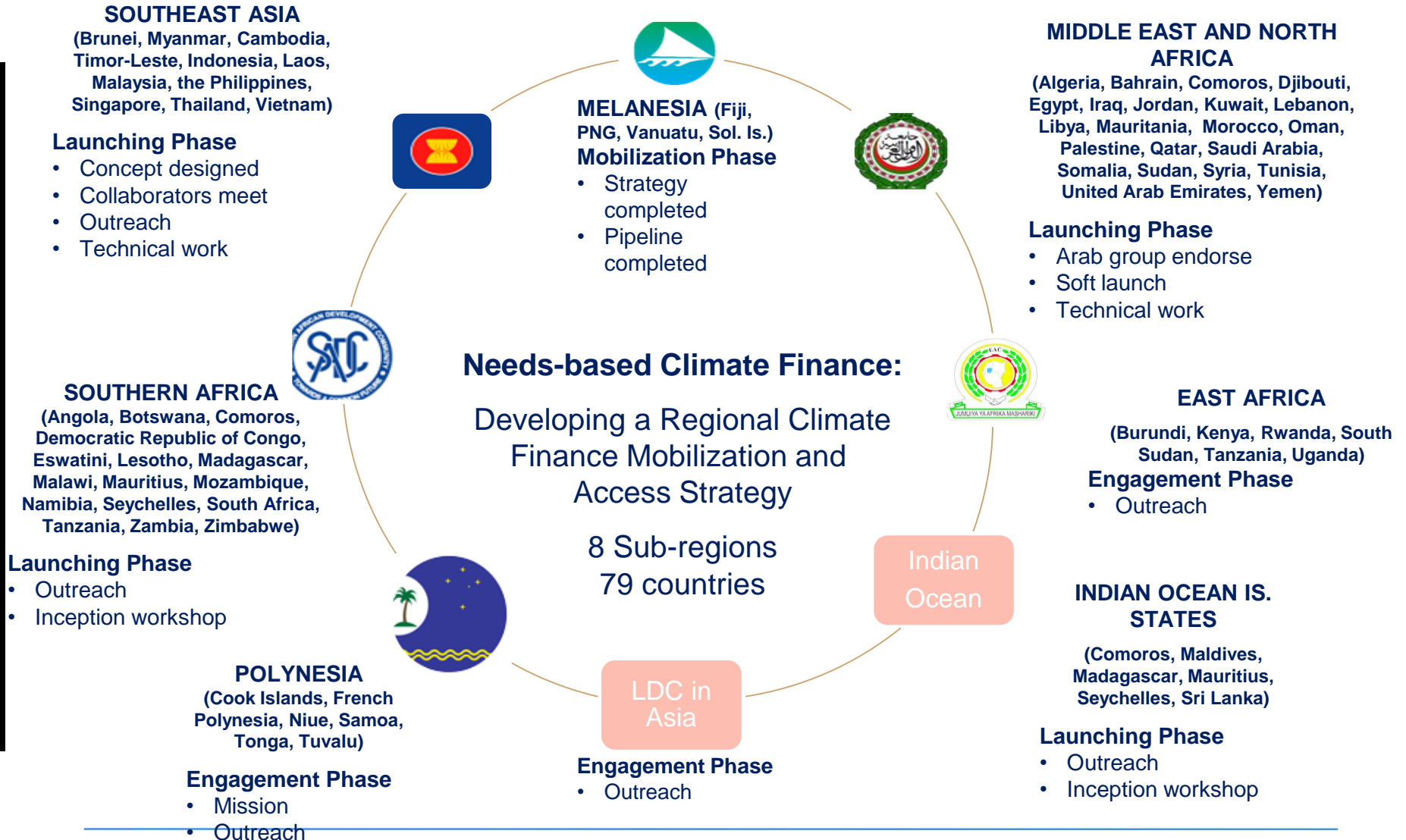
- Mobilization of support to implement the strategy.
- Presentation findings at events

Actions

- Convening of Partners' dialogue.
- Roadshow of strategy – source funding
- High Level COP26



Concurrent NBF projects (some overlap between SADC)



Tanzania – EAST AFRICA

Comoros, Maldives, Madagascar, Mauritius, Seychelles - IOIS

Thank you!

Whishing you a safe trip back home

