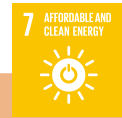




# INFRASTRUCTURE



# Infrastructure



Africa requires substantial investment in energy, water, transport and telecommunications infrastructure to facilitate economic growth and create opportunities for job creation and human development.

Standard Bank facilitates the development of quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, and supports infrastructure upgrades to improve sustainability and support economic development and human wellbeing. In all infrastructure development projects, we partner with our clients to ensure environmental and social risks are appropriately managed and minimised.

## OUR FOCUS AREAS INCLUDE



The **development of affordable, reliable and modern energy services**, in line with the objectives of the Paris Agreement to limit global warming, support a just transition, and expand the development and use of renewable energy



**Responsible development of LNG** as a transition fuel



**Upgrading of water infrastructure**



**Upgrading of transport infrastructure**, including port facilities to support intra and inter-African trade.



## Our impact in 2021

Finance provided for  
infrastructure in 2021



**R2.47 billion** renewable  
energy



**R616 million**  
LNG



**R2.19 billion** water  
infrastructure



**R2.09 billion** port  
infrastructure



**No finance**  
for **new coal-fired** power  
stations since 2009.





## Renewable energy

Africa is rich in untapped renewables – solar, wind, hydropower and geothermal. Africa also has potential for economically viable natural carbon sinks.

But the deployment of renewable energy on a centralised or decentralised basis requires significant funding and initial capital. Standard Bank works with African governments and businesses to facilitate the development of renewable sources of energy.

### KESSES SOLAR PV



The **Alten Kesses solar PV plant** in Eldoret, Kenya will have an installed capacity of 55MW and is being financed by Standard Bank of South Africa, Stanbic Kenya and EAIF. It will connect to the grid in 2022, via an existing 230 kV power transmission line between Turkwel hydroelectric plant and Lessos substation, which crosses over the solar PV plant.

The plant covers a surface area of about ten hectares and will generate around 123 000 MWh/year of clean energy, equivalent to the needs of about 245 000 Kenyan homes.\* This is the second solar PV project that Alten has built in Africa with financing from Standard Bank, the first being in Mariental, Namibia. Independent due diligence confirmed compliance with the Equator Principles (EP). Independent monitoring is ongoing.

SUSTAINABLE  
DEVELOPMENT  
GOALS

UN SDGs addressed



### REDSTONE CSP PROJECT



ACWA Power Green Energy Africa is a developer, investor co-owner and operator of a portfolio of power generation and desalinated water production plants. Its **Redstone CSP project** will make a direct contribution towards South Africa's transition to a green economy. Once operational, the CSP plant will have 12 hours of storage and will be capable of producing 490 000 MWh (net) annually. This is enough to deliver stable electricity supply to more than 200 000 homes during peak demand periods.

The project is being delivered under a 20-year power purchase agreement, with Eskom as the buyer. Standard Bank acted as lead arranger and underwriter on a 3-year Green Loan, which ACWA used to finance its equity contribution in the Redstone Project, under the REIPPP round 3.5 programme.

UN SDGs addressed



\* <http://alten-energy.com/projects/africa/kenya-eldoret/>



## EMIRA PROPERTY FUND'S RENEWABLE ENERGY DRIVE

### UN SDGs addressed



**Emira Property Fund** is a JSE-listed real estate investment trust (REIT). Emira's portfolio comprises office, retail, industrial and residential properties. Emira has been investing in site-embedded energy production since 2015. To date, it has completed eight solar farm installations and increased total annual production of solar power to more than 9 million kWh. In 2021, Standard Bank acted as the sole arranger and sustainability agent for Emira, for a R225 million sustainability-linked loan.

The loan will be used to fund and add more renewable energy solutions to Emira's portfolio of properties across South Africa as part of its sustainability strategy. The solar farms power Emira's buildings in an environmentally responsible manner and reduce strain on the national power grid. The use of renewable energy sources reduces the overall cost of managing the properties and reduces Emira's carbon footprint.



## GREEN LIGHT PLANET (GLP)

### UN SDGs addressed



Standard Bank acted as sustainability co-ordinator and lender on a deal that saw Standard Bank Kenya, Citibank, Norfund and CDC Group fund GLP provide financing to **GLP** to facilitate expansion of access to off-grid solar solutions to low-income communities in Kenya. GLP is a leading designer, distributor and financier of solar home energy products to low-income communities globally. Finance was provided to GLP across two tranches of debt. The sustainability-linked loan has embedded ESG-linked KPIs, including emissions reduction.

The landmark facility is one of the first sustainability-linked deals in Kenya, and one of the largest syndicated sustainable finance deals in the region to be provided in local currency. The transaction will allow Greenlight Planet to expand access to off-grid solar solutions to off-grid communities throughout Kenya and support its ambitions to reach an additional 10 million households globally in the next five years, by enabling households to afford 'pay-as-you-go' solar home systems through digital financing.





## Liquid natural gas

Standard Bank views gas as a transition fuel\* in Africa. The development of Africa's natural gas resources will help to balance economic development and social upliftment with the reduction of global emissions, by facilitating the switch from higher emitting energy sources such as wood and coal, to lower-carbon fuels, such as liquefied petroleum gas (LPG) for cooking and LNG for the provision of baseload energy.

Our commitment to gas financing is informed by emissions and development plans in our key markets and pathways for Africa that support global targets towards 1.5°C. We will continue to responsibly finance gas as a transition fuel for use in domestic and regional markets and facilitate natural gas for export, while seeking to reduce emissions intensity and manage our gas exposure.

### MOZAMBIQUE LNG



Standard Bank has been closely involved in the development of **Mozambique's LNG industry** since 2013.

In 2020, Standard Bank confirmed that it would contribute USD485 million (over R8 billion) in debt finance to the USD20 billion Mozambique LNG project being developed by a Total-led consortium.<sup>†</sup> Standard Bank is one of a large group of lenders. Lending includes direct and covered loans from eight export credit agencies (ECAs), a loan from the African Development Bank and finance support from 19 other international and regional financial institutions. The debt financing package amounts to USD14.9 billion.

The ECAs and commercial banks have undertaken a full suite of due diligence assessments to inform their decision-making processes, covering legal, technical, security, market, reserves, environmental and social (E&S) considerations and concerns. Detailed E&S due diligence was undertaken by the appointed independent E&S consultant, based on EP III, the latest version of the EP at the time. The lenders also imposed strict monitoring requirements on the project through the financing agreements. The project has a comprehensive stakeholder engagement programme and a grievance mechanism to which communities, NGOs and other stakeholders have access.

The onshore Mozambique LNG terminal will process gas extracted from the Golfinho and Atum fields located within the offshore Area 1 resource in the Rovuma basin. The project has successfully secured in aggregate 11.1-million tonnes a year of long-term LNG sales with buyers in Asia and in Europe. Mozambique LNG compares favourably with global projects in terms of carbon intensity, with low CO<sub>2</sub> content of feed gas, relatively low methane losses and an efficient modern liquefaction plant. Its output is well placed to promote coal to gas switching, promoting lower emission energy consumption.

The operator declared *force majeure* in early 2021 owing to unrest in the region. This resulted in the suspension of the project for much of 2021.



#### UN SDGs addressed



\* A substitute lower-carbon content fuel for higher carbon content fossil fuel (for example, coal and oil) to reduce carbon emissions in line with the energy transition and the overarching objective of achieving net zero by 2050.

<sup>†</sup> This is the second LNG project in Mozambique supported by Standard Bank, after the funding of the Coral Liquefied Natural Gas Floating Platform in 2017.



## Water infrastructure

We actively seek opportunities to finance infrastructure that improves climate adaptation and resilience, such as flood control, water efficiency and water storage.

### TRANS-CALEDON TUNNEL AUTHORITY



**Trans-Caledon Tunnel Authority (TCTA)** is a specialised water management institution, responsible for the funding and implementation of water resources infrastructure projects to support water security for **South Africa**.

Standard Bank acted as the lender, facility agent and sustainability agent for a R1.5 billion loan for TCTA. The loan comprises a R600 million six-year sustainability-linked term loan and a R900 million seven-year term loan, to be used to fund:

- Phase 2 of the Lesotho Highlands Water Project, a water delivery project commissioned jointly by the governments of South Africa and the Kingdom of Lesotho, to increase capacity to the Vaal River System Water Resources Development Project, which supplies the economic hubs and communities of Gauteng, Free State, North West, Northern Cape and Mpumalanga
- The AMD Project, which is the short-term and emergency intervention for the acid mine drainage on the Witwatersrand Goldfields.

The sustainability-linked loan includes provision for margin adjustments for reduction of energy, water and consumables consumption and waste generation, together with increased recycling, measured against an agreed baseline.

SUSTAINABLE  
DEVELOPMENT  
GOALS

UN SDGs addressed





## Port infrastructure

Standard Bank supports the development of reliable, regionally integrated transport infrastructure to facilitate access to markets and grow import and export capacity.

### PORT UPGRADES IN CÔTE D'IVOIRE



**Côte d'Ivoire Terminal** is the joint venture (JV) between Bolloré (51%) and APMT (49%). In 2014, following an international tender process, the JV was awarded a 21-year concession (to 2041) by the Port of Authority of Abidjan. The concession is for the building of a second container terminal, to enhance the Port Authority's competitiveness and develop high quality infrastructure. The expansion is crucial to cater for increased container traffic demand, which has grown 11% above GDP growth since 2014. It includes construction and development of buildings, utilities and an on-dock rail terminal, and the procurement of equipment and systems such as cranes, terminal tractors, empty handlers, the gate operating system and the terminal appointment system. Standard Bank participated in an aggregate EUR311 million seven-year club loan to finance the construction and was one of the largest lenders in the facility.



**Terminal Industriel Polyvalent de San Pedro (TIPSP)** was awarded a 35-year concession agreement with the Autonomous Port of San Pedro, a Cote d'Ivoire government-owned port authority, in 2016. The port was built in 1970s and was congested, with limited capacity to support growing traffic. The concession encompasses the design, construction, financing, operation and maintenance of a multipurpose bulk terminal. Construction started in May 2019 and is expected to be completed in Q1, 2022. Arise Ports & Logistics is majority shareholder, developer and operator. Standard Bank participated in a EUR65 million bridge loan to TIPSP, enabling construction to continue while the long term project financing was structured. Standard Bank is the mandated lead arranger (MLA), bridge lender and account bank in the transaction and is arranging the senior debt raise for the long term project finance transaction. The project will significantly contribute to Côte d'Ivoire's socioeconomic development, providing critical infrastructure and improving the country's competitiveness.



#### UN SDGs addressed

