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The Development Bank of Southern Africa Implements Effective Partnerships through Designing and Developing Effective Partnership Models to Implement Strategic Plans and Programmes

<table>
<thead>
<tr>
<th>Principle</th>
<th>Related Work Stream(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRINCIPLE 3: PROMOTE Climate Smart Objectives</td>
<td>- CLIMATE RISKS: APPROACHES, TOOLS, METHODOLOGIES</td>
</tr>
<tr>
<td></td>
<td>- MAPPING REPORTING INITIATIVES AND UNDERSTANDING IMPLEMENTATION CHALLENGES</td>
</tr>
<tr>
<td></td>
<td>- CITY-LEVEL CLIMATE SMART APPROACHES AND FINANCIAL INSTRUMENTS</td>
</tr>
<tr>
<td></td>
<td>- SPREADING A CLIMATE STRATEGY INTO A WHOLE ORGANISATION</td>
</tr>
</tbody>
</table>

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Introduction

The Development Bank of Southern Africa acknowledges its responsibilities to further the objectives of the government of South Africa to reduce its Green House Gas emissions. South Africa is one of the countries in the world most vulnerable to the impacts of climate change, especially concerning land productivity and water scarcity. Climate Change increases the financial risk exposure of bank investments. DBSA therefore continues to significantly invest in mitigating climate change as well as mainstreaming adaptation strategies into infrastructure decisions. This includes investing directly in the integrity of ecosystems in order to achieve a healthier, fair, equitable and resilient society.

The DBSA pathway to addressing the climate change has been characterized by debate, shared learning and incrementalism.

Development and Design

DBSA has identified and engaged in key strategic partnerships to address climate change challenges. DBSA identifies stakeholders, engages them to develop key drivers of sustainability and to formulate and implement, monitor and review responsive strategies.

Climate change partnership initiatives in DBSA are driven by the office of the CEO. The CEO implements
initiatives through various units in the DBSA. The Green Fund Unit was originally created to implement a national financial mechanism intended to transition South Africa to a green economy. The unit has subsequently been restructured to champion climate change operations. The DBSA has recently refined its safeguard policies and guidelines for mainstreaming climate change in all investment due diligence procedures to ensure benchmarking with international standards and best practice. These standards are applied in due diligence on all investment decisions.

DBSA supports the South African Governments National Development Plan to achieve outcomes such as:

- transforming society and uniting the country and
- creating an environmentally sustainable and resilient transition to a low carbon economy

Key initiatives that have been supported by DBSA including the Principles for Climate Reporting include:

i) The Climate Change Atlas which was developed by the Department of Science and Technology and the Centre for Scientific and Industrial Research

ii) Climate Change Response Strategies Capacity Building Support for Local Government

iii) Mobilization of climate finance; including accreditation to the Global Environment Facility and recommendation for accreditation to the Green Climate Fund

iv) The Green Fund of South Africa


vi) Technical and capacity building support for investments in the green economy throughout Africa for example cross border and African partnership fund such as the Regional Water Infrastructure and Basic Sanitation Fund and the Pan African Capacity Building Programme (PACBP).

Experience and Impact

DBSA has achieved executive management support to initiatives contributing to South Africa’s transition to a low carbon resource efficient and climate resilient development path, delivering high impact economic and environmental social benefits. The Fund has responded to market weaknesses currently hampering the transition to a green economy by:

- Promoting innovative and high impact green programmes and projects
- Reinforcing sustainable development objectives through green interventions
- Building evidence base for the expansion of the green economy and attracting additional resources to support South Africa’s green economy development. The Green Fund has approved several projects, including the Climate Innovation Centre which provides technical support in the form of business incubation to green small and medium micro industries.

Lessons Learnt

1. Visionary leadership at key levels in the organization speeds up appropriateness of responses to the challenges faced. Strategic Planning at institutional level is key. The value proposition needs to be developed, followed by business models, operational and plans that clearly spell out and report against upfront agreed targets;

2. Climate change initiatives are integral to all development plans and projects. All initiatives require climate analysis and responses appropriate to responsi-
bilities and opportunities;

3. DFI’s play a key role in influencing the supply chain, creating and ensuring an enabling environment to reduce risks and open opportunities for other financial institutions and partners to engage in the green economy;

4. Contributing towards a green economy requires a reinvention of existing financial tools and approaches and an increased level of risk sharing to new technology developments and partnership arrangements;

5. Creative and smart partnership arrangements between government, private sector and the Civil Society is needed for successful mainstreaming and implementation at scale;

6. National Strategic planning support is essential to streamline effective decision making;

7. Investment packages should not only target large projects but also the small and medium sized projects; and

8. Private sector project developers need a clear framework within which to invest, whilst the procurement programs need consistent, timely, and expert implementation. The REIPP programme is an example of a well-designed and transparent procurement process.