



SOUTH AFRICAN GREEN FINANCE TAXONOMY

Experiences in the development of the inaugural comprehensive national tool

Overview of the South Africa Process, and lessons from aligning with EU approach

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First Meeting of the SBFN
Sustainable Finance Instruments
Working Group



TECHNICAL PARTNERS



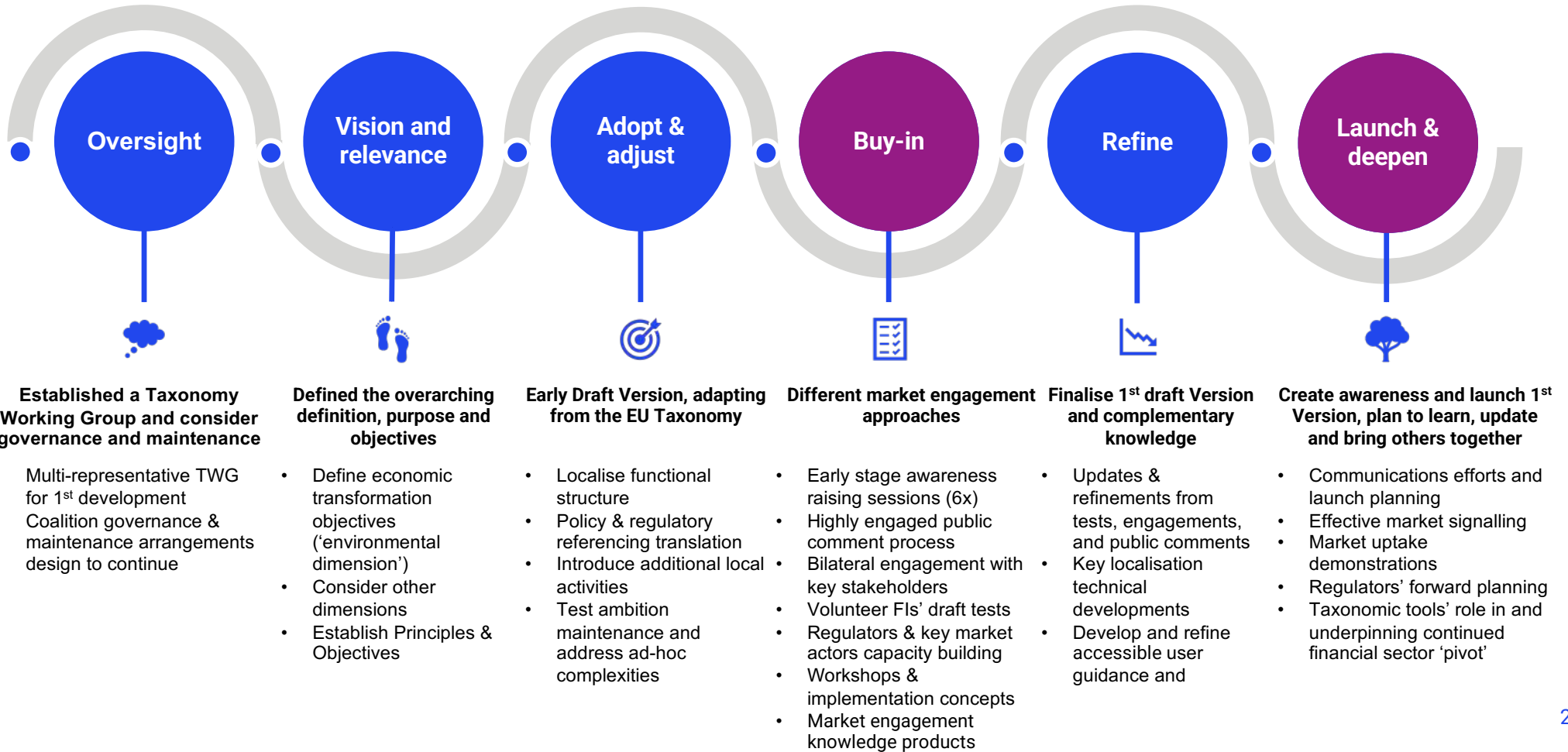
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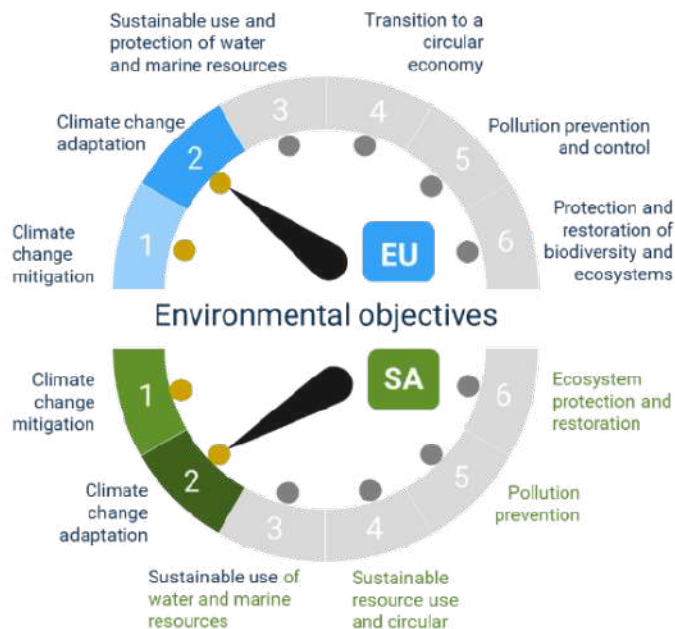
Creating Markets, Creating Opportunities



South African Green Finance Taxonomy development process



Degrees of difference between EU and SA approach and result



Minimum Social Safeguards
Technical Screening Criteria (2 x MSC) (6 x DNSH)
Resilience test disclosure

Figure 1: Comparing environmental objectives between the EU and SA

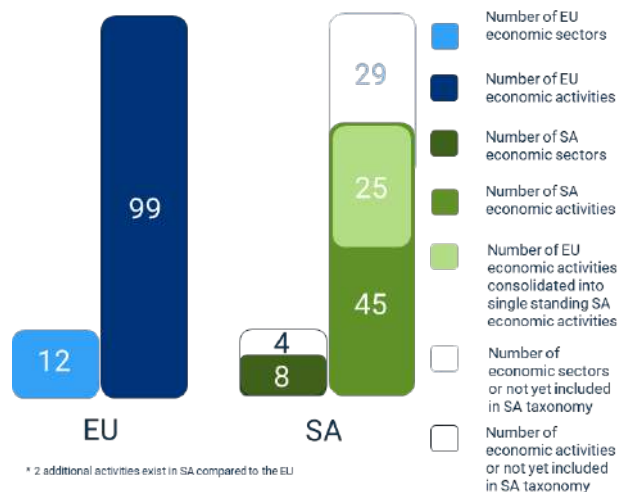
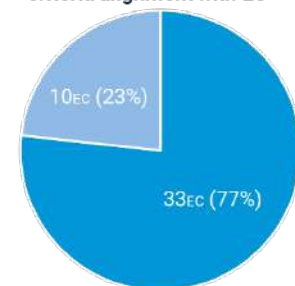
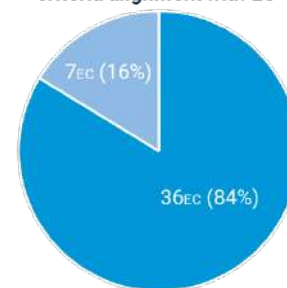


Figure 2: Comparing economic activities consolidated between the EU and SA

SA make significant contribution criteria alignment with EU



SA do no significant harm criteria alignment with EU



- High alignment – criteria show major similarities compared to the EU with performance requirements strongly maintained
- Moderate alignment - criteria show close similarities compared to the EU with minor differences in referenced performance requirements

EC - Economic Activities

* 2 additional activities exist in SA compared to the EU

Figure 3: Comparing technical standard alignment between the EU and SA

Knowledge products and engagement are vital to address a spread of understanding and encourage uptake



The process and insights from the development of the 1st Edition of the South African Green Finance Taxonomy



Rationale for a phased approach to developing South Africa's Sustainable Finance Taxonomy



Testing the South African Green Finance Taxonomy: Insights from South African financial market practitioners and case studies compendium



Why and how South Africa's ambitious Green Finance Taxonomy is aligned with the EU Sustainable Finance Taxonomy



Proposed Governance Mechanism for the Review and Refinement of South Africa's Green Finance Taxonomy



Draft South African Green Finance Taxonomy: June 2021 public consultation comments and responses received analysis

+ subpage on **sustainable finance website** for updates and resources

+ **tailored trainings** with key market proponents on request

An essential element has been market trust, and buy-in – white papers, explanation briefs, experiential inputs, etc. all key

1



Consult with stakeholders, understand thematic / specific concerns, challenges and underlying issues

Ensure feedback mechanisms that acknowledge and (if possible) address concerns (forward planning)

2



Encourage policy development
Send market signals to bolster confidence

Develop roadmaps and provide technical assistance to enabling actors

3



Develop pilot projects (combining capacity building and technical assistant) to different types of taxonomy users

Develop and promote open access knowledge products

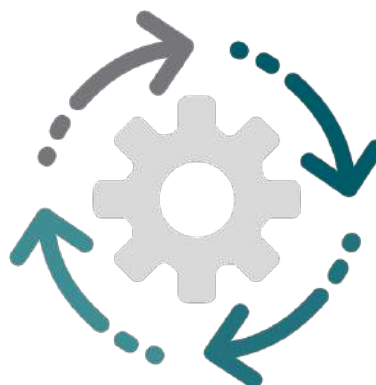
Embedding the use of the taxonomy is the next important task: a Theory of Ecosystem Change

ECOSYSTEM & POLICY REFORM

target policy subsystems, work with enabling actors

- Establish the taxonomic 'touchpoints' in existing financial sector oversight mandates, functions and instruments
- A combination of 'step-lightly' early stage studies and activities
- A vital market signal
- Work towards integrating to relevant economic and market oversight touchpoints

accelerate learning and adoption rates



ACTIONS OF INDIVIDUAL ACTORS AND COALITIONS

create demonstrations of practical achievability and value, diffuse knowledge

- Introductory awareness raising and building understanding
- Technical implementation capacity building in FIs and supporting industries
- 'As-lived' experiences vs supported implementation
- Practical user application tools
- Case studies
- Webinars (knowledge, practice, demo)
- A repository of resources



Q&A

**Thanks for
listening**



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