

€50m funding facility launched to support climate change adaptation and mitigation in SA

The Land and Agricultural Development Bank (Land Bank) has announced the commencement of new €50m funding facility, secured through the European Investment Bank (EIB), to support climate change adaptation and mitigation projects.



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The funding, set to strengthen the capacity of farmers to prepare, adapt and become resilient to the impacts of a changing climate, couldn't be timelier given the challenges being experienced in the local agricultural sector, specifically with regards to the drought which continues to adversely impact agricultural output in the Western, Eastern and Northern Cape.

The facility features a 12-year repayment period with favourable terms. The available funding will be channelled to climate action projects that have a lifespan of two years or longer and are focused on, amongst other things:

- Improving natural resource management
- Strengthening business continuity
- Contributing to a reduction in energy and water usage in food processing
- Improving existing carbon pools
- Capital formation specifically intended for climate adaption and mitigation

Planning ahead to ensure sustainability

"An important part of our mandate at Land Bank is to work with all of our stakeholders to build an adaptive and competitive agricultural sector that contributes to food security. With this facility in place, we are better positioned to support farmers and agribusiness to deal with the challenges of climate change and ensure limited disruption of agricultural production," says Land Bank CEO, TP Nchocho.

Over the past year, Land Bank has worked diligently to diversify its sources of funding in order to continue supporting agricultural sector growth and transformation. This Climate Action Facility from the EIB is the fourth in a series of major funding initiatives secured by the Bank to increase its long-term liquidity for the benefit of the agricultural sector.



Land Bank, KfW partnership to further agricultural development and transformation in SA

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Tom Andersen, head of the EIB's Pretoria office, added: "This project comes at a very important time and underlines the importance of planning ahead to ensure sustainability of our scarce resources. Through partnerships like this one with the Land Bank, the EIB is able to support various types of projects carried out by small and medium-sized enterprises in the agricultural sector. In addition to having a positive impact on the climate, the facilities will also underpin job creation. "

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