



Embedding the South African Green Finance Taxonomy is supported by the South Africa-UK PACT (Partnering for Accelerated Climate Transitions) programme, jointly governed and funded by the UK Government's Foreign, Commonwealth and Development Office (FCDO) and the Department for Business, Energy and Industrial Strategy (BEIS) through the UK's International Climate Finance.

### **Specific to GFT**

- Includes do no significant harm and minimum social safeguard criteria to minimise negative externalities
- More rigorous technical criteria for assessment of making contributions to environmental objectives
- Although criteria not fleshed out yet, includes 4 additional environmental objectives
- Can be used widely across different types of institutions
- Can be used for various types of finance beyond expenditure

### **Convergence between GFT and CBT**

- Basis in defining 'green' finance
- Aims to flow finance toward green activities
- Identifies expenditure contributing to climate change mitigation and adaptation in reporting
- Instruments to monitor use of finance and attract investment
- Segmented by economic activity
- Report alignment with % share of total finance
- Aim to mainstream the climate perspective in financial decision making

### **Specific to CBT**

- Includes just transition as an environmental objective alongside climate change mitigation and adaptation
- Focus on public sector institutions and is modelled to accommodate broad acceptance
- Provides a qualitative approach based on objective and benefits based methodology for tagging funding in planning, budgeting and expenditure



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