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Bank**

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What impact has COVID-19 had on the South African market and how have you responded as Standard Bank Global Markets in supporting your clients?

Covid reinforced how important it is to have the right mind-set, people and skills that are able to embrace complex situations. The COVID-19 pandemic was thrust upon us and created a completely new and uncertain environment and with it the ability to realise that “complexity is a privilege” and an incredible opportunity to co-create solutions with our clients.

We’ve worked hard to develop and hire the right skills and also cultivate the mindset that allows us to really own and embrace complexity. Over many years our teams have built strong relationships with clients and with this ever present mindset of “complexity being a privilege” we’ve been able to deliver highly focused solutions.

Are there any other market themes in the last 12-18 months that have had a material impact on client needs? How have you responded to these?

When we look back now the pre-COVID period was really a very benign time: a stable geopolitical environment, low inflation, plentiful liquidity, relatively low volatility and very manageable yield curves. Since the COVID-19 pandemic we’ve seen so much change. Every one of the points I mentioned above no longer exists or is in a state of flux.

In response, we’ve been incredibly deliberate about understanding how the world has changed, what these changes mean and then looked to use our unique skills to provide our clients with the relevant solutions needed.

What impact has the recent focus on ESG had from a global markets perspective, especially as we’ve seen Standard Bank GM advise on transactions with the likes of Scatec?

In the last few years there has been increased focus on the ESG impacts of companies from their investors, regulators and consumers. As a bank we are responding to this by ensuring that all our divisions are mindful of their impact and do the right business in the right way.

Funding renewable projects is a key element of our ESG strategy. However, these projects have long lead times and long tenors and are often not rand based which adds significant risk and complexity. As a leader in the renewables space we not only provide the finance but also hedging and risk mitigation strategies that ensure the financial viability of these crucial projects.

Earlier this year, we partnered with Scatec to successfully reach financial close on the first sizable battery energy storage and photovoltaic (PV) solar project in South Africa. The project is a great example of how, alongside our significant funding we delivered effective risk mitigation by hedging \$10bn of exposure and creating certainty in the transaction.

How can carbon market vehicles, like carbon trading, be used as a mechanism to channel new investment into energy security in South Africa?

Given that the two dominant carbon credit standard-setting organisations (Verra and GoldStandard) changed their rules in 2020, no longer allowing registration of grid tied renewable energy projects in countries other





than Least Developed Countries, there is limited scope for carbon credit revenues to fund meaningful expansions in South Africa's renewable energy generation capacity.

Where carbon markets can play a role is as a conduit for finance that can be applied to alleviate energy insecurity and energy poverty. 90% of carbon credits are bought in the global north while 90% of potential natural climate solutions are in the global south and the carbon markets can provide a mechanism for this potential flow of capital.

Research indicates that using the available land and natural capital sub-Saharan Africa has the potential to sequester 1,200 million tCO₂e per year relatively cost-effectively. If these emission reductions could be monetised into carbon credits, they would represent an African export market worth 10s of billions of USD annually.

This stream of carbon finance could offer a vital source of financing for developing countries that can be applied for mitigation and adaptation.

What are the biggest risks facing SA clients and what opportunities are clients and investors seeing in the country?

South Africa has immense opportunities and great risks. The impact of the potential gray-listing and its effect on capital flows is one of the top risks facing South Africa. The country also has political uncertainty around the upcoming ANC electoral conference, and the current power and infrastructure issues.

Investors see that South Africa has an incredibly healthy banking and savings industry and a young upwardly mobile population. South Africans are energetic, innovative and entrepreneurs, however our country is in desperate need of infrastructure spend.

There are great opportunities in renewable energy and digitisation.

25 renewable energy projects have been selected for development in the fifth bid window of the country's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) – aiming to secure more than 2,500MW of renewable energy primarily from onshore wind farms and solar photovoltaic plants.

We also project that South Africa's technology, media, and telecommunication sectors are expected to see the most M&A activity in the foreseeable future, with investments in non-traditional sectors harnessed on digital infrastructure and ESG values.

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What does your current role entail, and tell us about your journey to this position?

I am the Head of the Client South Africa Business for Global Markets. My job is to ensure that we leverage the full Standard Bank franchise to deliver an impactful set of solutions to our clients.

I started my career as a commodities trader at Glencore, and later worked on the interest trading desk at the Royal Bank of Scotland in London. Thereafter, I joined Investec Johannesburg as a currency trader. Finally, I joined Standard Bank in 2006 on the Sales & Structuring Desk. Prior to my current role, I was responsible for the Client Solutions team within Global Markets.

What words of advice do you have to the next generation of bankers?

There will come a time that you will need to be comfortable with the fact that you must make decisions without all the information you require - few leaders know absolutely everything about their business, but make sure you understand the important pieces, how these come together and most importantly, where to find the information you don't know! ♻️

