

Rich nations offer debt guarantees on South African climate deal

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A group of the world's richest nations offered South Africa debt guarantees as part of a proposed \$8.5 bn deal designed to cut the nation's reliance on coal for power generation, potentially resolving one sticking point in the negotiations.



Source: [Rxabay](#)

The guarantees would enable South Africa or companies such as state power utility Eskom, to borrow money needed to close down coal-fired power plants and enable the generation of renewable energy.

Such an arrangement would alleviate pressure on the South African government to guarantee any debt Eskom may need to fund its transition to renewable energy, the person said. By March this year, the National Treasury had extended R560.1 bn (\$35bn) of guarantees to state companies, with Eskom accounting for about 79% of that.

Read the original article on [Daily Maverick](#).

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