

November 18, 2013

### **U.S. Comments on South Africa Investment Plan November 15, 2013**

- We are very pleased with the progress of South Africa's work with the Clean Technology Fund thus far.
- The scale of South Africa's renewable energy independent power producer procurement program will have a large impact in South Africa and globally.

#### ***Proposed revisions***

- The proposed reallocation of the CTF program needs further refining before it is formally endorsed. For example, there are no cost per ton or GHG reduction estimates for the options presented and there is limited discussion of consistency with CTF criteria.
- In evaluating each component, it would help if the information on expected performance against CTF criteria could be presented in comparison to each other and with the elements of the previous plan that are being restructured. We would also like to see a comparison of the expected performance against CTF criteria of the new plan versus the original.

#### ***Solar component***

- We would appreciate further detail on how much would go to utility scale projects and how much to credit lines.
- On many occasions we expressed concerns about CTF support for programs that contain local content requirements as they are not an efficient way to achieve industrial development goals. Other methods should be explored. We will review any proposed investments carefully for such requirements and this issue will factor into our decisionmaking on individual proposals.
- We would like to hear more about the procurement waivers required for the current program. Why have waivers been requested? What are they for?
- How is South Africa working to anticipate challenges and avoid future delays in project implementation given its experience with its wind and CSP projects?

#### ***Transport component***

- Please provide more on the infrastructure hurdles to the expanded use of CNG in the transportation fleet and how South Africa expects to overcome them if CTF funding is used for the Vehicle Efficiency Program.

- The transport program has a very long time horizon for implementation of 20 years. How would such a program be monitored for consistency with CTF criteria over such a long duration?