

October 6, 2010

AfDB's response to Germany

Dear Patricia,

Please send AfDB's written response to the requests made by Dr. Annette Windmeisser on October 5th: AfDB is very pleased to know that Germany is prepared to support the Joint IFC/AfDB Sustainable Energy Acceleration and South Africa Energy Efficiency Programs.

By this written confirmation, we would like to re-assure you and the German Government which you represent, that AfDB will:

- Provide information about the RE market situation along with specific client and partner names at least 30 days prior to AfDB's Board Approval as per Annex B of the CTF Private Sector Operational Guidelines approved on January 12, 2009. We further commit to provide donors who have signed an NDA and so request, financial details on CTF sub-projects once such projects have been committed.
- Work together with IFC to undertake a mapping exercise of all DFI energy interventions in South Africa. This activity is expected to start with a multi stakeholder meeting in Pretoria in November. I understand from both IFC and AfDB country teams that repeated attempts were made to meet with KfW in South Africa since program submission, but that the teams only managed to have a telephone conversation with Mr. Georg Gruener, KfW sector coordinator RE and EE on September 23. It is in recognition that a single meeting with only one of the DFI's supporting the country is not sufficient, that the management of AfDB has instructed its country team to be fully engaged in the mapping exercise in South Africa and also to pay particular attention to the coordination and aspects related to the Paris Declaration in future work.
- AfDB reiterates its commitment to apply the principle of minimum concessionality to all CTF sub-projects. As indicated before, we will provide TFC members who sign an NDA and so request, with project specific financial information as outlined in the NDA.
- We agree and appreciate your point that TA programs, although implemented with government institutions, might also target private sector players. In fact this is highly desirable if the intention is to stimulate private sector engagement in clean energy markets.

Best regards,

Héla Cheikhrouhou