

September 29, 2010

**Comments from France on AfDB and IFC's South Africa Energy Efficiency Program and South Africa Sustainable Energy Acceleration Program**

Dear Patricia, dear all,

We would like to thank you for the answers provided. We have carefully read the answers and would have three comments:

1/ South Africa Sustainable Energy Acceleration Program: the project is really promising and we support it. However, we are not satisfied by the answer provided by IFC to question 13 on the level of concessionality. It is good to know that the methodology used was the one which had to be used according to the principles. Our question, which we hope was clear enough and would like to see answered, was slightly different: how was determined that such an important level of concessionality was needed to make these projects possible?

2/ South Africa Energy Efficiency Program: we have strong concerns on the request of an unconditional letter of commitment for the entire amount of funds required under this program, and the upfront transfer of the entire amount of CTF funding. There is a matter of principle here, regarding the relationship between the CTF and the implementing MDBs. We consider that MDBs should, on availability of funds, trust the Trustee and the Trust Fund committee, and that it would be inappropriate to set a precedent in the opposite direction.

3/ Finally, and more generally, reading questions from several members and the answers provided, it seems to us that there would be a real interest in greater coordination between DFIs ahead of the projects, to boost the catalytic role and leveraging effect of CTF investment. We would welcome proposals from the MDBs committee on how to develop this ex-ante coordination with interested bilateral donors.

Best regards,

Cyril