

RELEASE IN PART B5

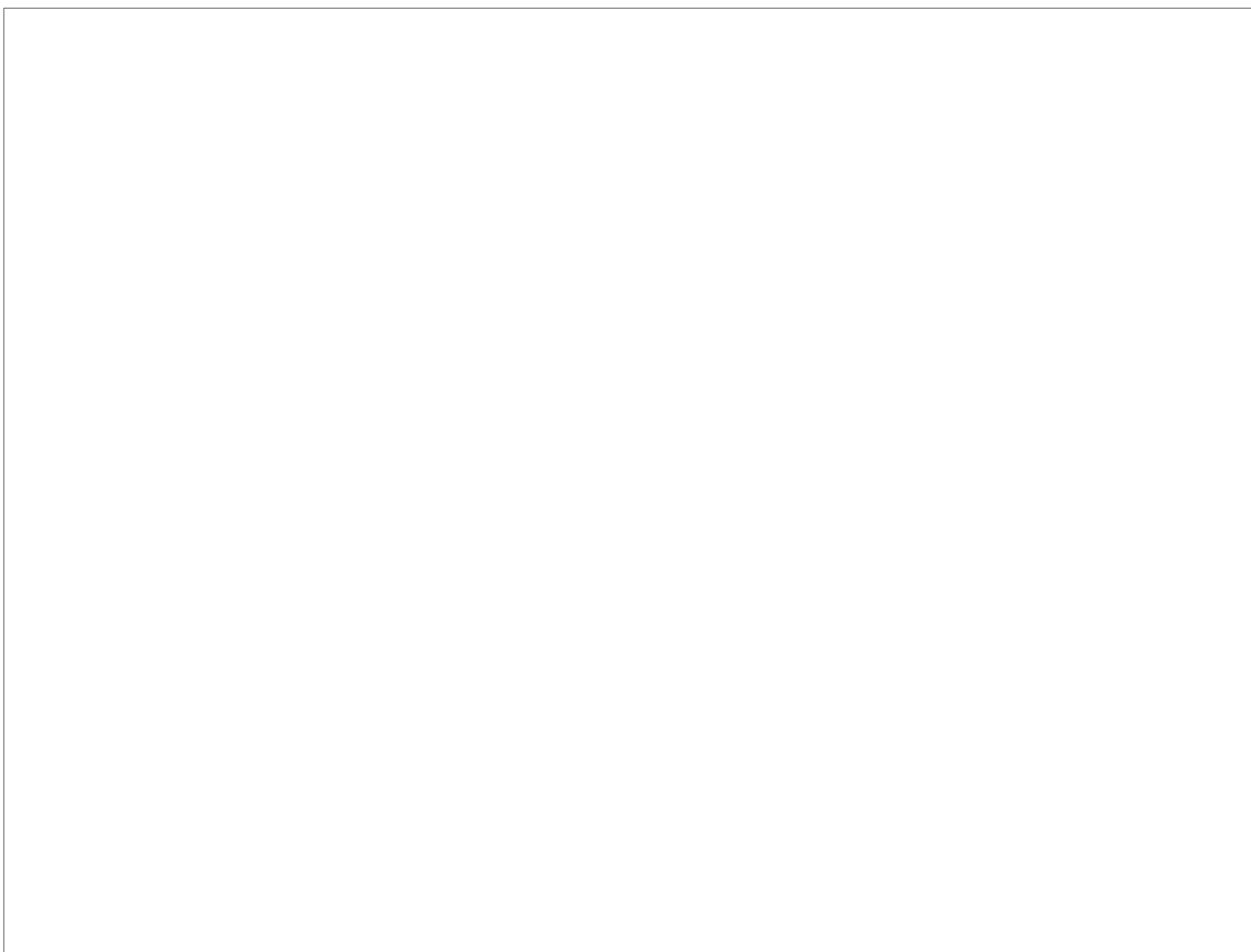
From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Wednesday, March 31, 2010 12:12 PM
To: H
Subject: Fw: In case S calls S. Africa Foreign Minister

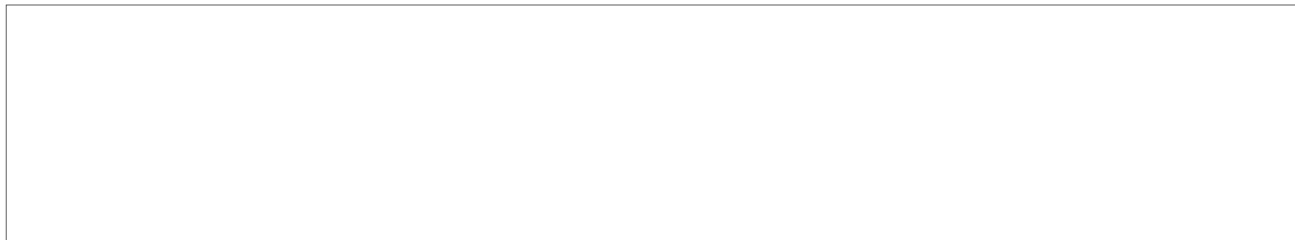
This is further background on the Mashabane call,

B5

From: Seiden, Maya D
To: Sullivan, Jacob J
Cc: Ashraf, Madeeha S; Park, Pamela P; Butte-Dahl, Jennifer X; Beale, Courtney A Kramer; Syed, Zia S
Sent: Tue Mar 30 15:38:52 2010
Subject: In case S calls S. Africa Foreign Minister

I understand that South African Foreign Minister has placed a call to the Secretary on the proposed World Bank loan for a coal-fired power plant. Wanted to give you some background on that (beyond what will be in the call sheet), in case the Secretary ends up returning the call. I've pasted below a DRAFT IM that was prepared for the two Ds. It gives more substantive background on the project, which I thought might be helpful. It does not yet fully reflect building views, so I've tried to summarize those here.





Don't hesitate to reach out if you want more information on any of this.

MS

INFORMATION MEMO FOR DEPUTY SECRETARY STEINBERG AND DEPUTY SECRETARY LEW

FROM: E – Robert Hormats
S/SECC – Todd Stern
S/CIEA – David Goldwyn
AF – Johnnie Carson

SUBJECT: Proposed World Bank Loan for South African Coal-fired Power Plant

On April 8 the World Bank Board is expected to consider whether to approve a \$3.75 billion loan for a 4,800 megawatt (MW) coal-fired power plant in South Africa (the “Medupi project”). The project, by South Africa’s state-owned Eskom utility, is intended to address a worsening power shortage. The loan is controversial due to the 26 million tons of CO2 emissions per year that the plant will emit when completed, making it one of the largest single sources of carbon emissions in the world. South Africa has sought U.S. support for the project from senior levels at the Department and our Ambassador in Pretoria.

