



Sustainable Energy & Climate Change Project

P O Box 32131 • Braamfontein • 2107
Tel: +27 (0)11 339.3662; Fax: +27 (0)86 686.8434
www.earthlife.org.za



Non Profit Organisation (NPO) No. 004-159-NPO

A project of Earthlife Africa Jhb

To: Asad Alam
Country Director
The World Bank
By email: aalam@worldbank.org, dsislen@worldbank.org

Cc: Zandi Ratshitanga
Senior Communications Officer
South Africa Office
The World Bank
By email: zratshitanga@worldbank.org

Cc: Mishka Zaman
Senior Operations Officer
The Inspection Panel
The World Bank
By email: mzaman2@worldbank.org

Cc: Bobby Peek
Director
groundWork
By email: bobby@groundwork.org.za

Date: 5th of September 2013

Re: Request for a Meeting

Dear Mr. Alam,

As Earthlife Africa Jhb and groundWork, we note your letter of the 20th of August 2013, and we refer to the letter from the Centre for Environmental Rights (dated 3rd of September 2013) as a specific response to the legal issues concerning Eskom's bid to set aside air quality standards and Flue Gas Desulphurisation (FGD). This letter addresses the related point of what this means for the World Bank, its current energy policy, and the World Bank's commitment to environmental sustainability.

We take it as common cause that the Bank understands that there are negative health impacts from coal combustion from power stations like Medupi. We also take it as common cause that the Bank is

aware that air quality standards and FGD help to reduce some of the negative impacts of coal-fired generation.

From these two points, it is only safe to assume that the Bank made the loan for the Medupi power station with the impression that Medupi would be built to reasonable air quality standards and with FGD. We do not believe that Bank would have embarked on the loan if Eskom had not indicated that it would use "cleaner" coal technologies. In effect, the material conditions are being unilaterally changed by Eskom.

Therefore, we have the following concerns:

I. Does the Bank believe that it has a responsibility to ensure environmental sustainability in its loans? If so, then it should not accept Medupi without FGD or air quality standards at less than WHO standards.

II. If the Bank accepts Medupi without FGD (or postponement thereof) and with lower levels of emissions standards, the Bank is effectively consenting to a loan for a much dirtier coal-fired power station.

III. We believe that, unless the Bank intervenes to ensure Medupi is as environmentally responsible as was initially indicated, that the Bank is doing a great disservice to communities in South Africa. For, in effect, the Bank is loaning money for a dirty power station that could have been otherwise. When measures exist to reduce health and environmental impacts, these measures are already factored into the project and its financial calculations, and the Bank does not demand their implementation, then the Bank is at fault.

IV. We believe that the Bank does have a moral and policy imperative to respond. It is noted that the Bank is shifting away from lending to coal, citing environmental concerns and the impact of inaction on Sub-Saharan poverty. This is a positive move. However, this positive is vastly undercut if Sub-Saharan communities have to endure the health and financial impacts of **unnecessary and avoidable** pollution.

V. We believe that the Bank's reputation is at stake. The Bank is making a bid to shift funding away from environmentally destructive energy sources, and has professed concern for the health and welfare of poor communities. The Bank's actions on Medupi without FGD and the lowering of air quality standards is a major, public challenge to this.

We would like to meet with you as soon as possible to discuss how the Bank's management is going to deal with these challenges.

All the best,



Tristen Taylor
Project Coordinator
Earthlife Africa Jhb
tristen@earthlife.org.za