

Project Objectives

Invest in renewable energy to enhance South Africa's power mix

Move towards renewables to reduce CO2 emissions, align with government's targets

Generate **887 GWh** clean energy annually

Save **834,000 tons** of CO2 emissions yearly

Contribute to **SDG 7** (affordable, sustainable energy) and **SDG 13** (climate action)

Attract private sector financing and increase long-term funds for energy projects

Country Context

Annual GDP:
USD 405.8 billion



GDP/capita (2023):
Approximately USD 6,800

Population:
Approximately 60.6 million

Population below upper-bound poverty line:
Approximately 35 million

Global Rank:
South Africa is amongst the top 15 contributors to GHG emissions, according to United States Agency for International Development

NDB in South Africa

12 projects approved, since 2016

Total amount **USD 5.2 billion**

Project Design

Total project cost at approval:
Over USD 600 million

Project timeline: 2019 - 2022
(Extended to January 29, 2024)

Borrower & executing agency: Development Bank of Southern Africa (DBSA)

NDB financing: USD 300 million

Co-financing: USD 2.2 billion

Renewable energy plants: 15 plants in four provinces

Supported technologies: Solar PV (9), On-Shore Wind (4), Concentrated Solar Power (1), Biomass (1)

Estimated renewable energy generation: Over 3,540 GWh annually

CO2 emission reduction: Over 3 million tons annually

SDGs supported: SDG 7, 8, 9, & 13



Main Findings

Areas of Strength

Strong collaboration between NDB, DBSA, and South African Government

Mobilised **USD 2.2 billion** in co-financing

Swift disbursement by NDB: The loan was fully disbursed to DBSA in **13 months**

Added **1,147 MW** capacity from **14** completed renewable energy plants

Reduced over **3 million** tons of CO2 emissions annually

Social & economic impact: Over **12% employees** on sub-projects from local communities, **2.5% shareholding** by local community trusts, local content expenditures exceeded **40%**

Areas for Improvement

Insufficient attention to documenting and sharing lessons and overall experience

Design did not proactively pay attention to social impact

Dialogue with wider development partners limited

Monitoring and evaluation systems not based on good practice standards

Recommendations

Formulate a South Africa-NDB country strategy:
Covering proposed lending and non-lending activities



Explore options for local currency financing:
To mitigate foreign-exchange risks for sustainable projects



Define, generate, and leverage NDB's additionality:
By fostering innovation, and integrating smart technologies while prioritising social development



Strengthen the relationship with the National Financial Intermediary and conduct in-depth review of member countries' systems



Enhance the project Design and Monitoring Framework quality and the Monitoring and Evaluation process




Develop knowledge management plans:
To document and share learnings and best practices



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