

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Environmental Protection Project For Medupi Thermal Power Plant
Country	The Republic of South Africa
Type	Sovereign
Area of Operation	Environmental Protection
Concept Approval Date	25 February 2019
Financing Approval Date	31 March 2019
Total Project Cost	USD 2750 million
Initial Limit of NDB Financing	USD 480 million
Current Limit of NDB Financing	USD 480 million
Borrower	Eskom Holdings SOC, Ltd
Project Entity(ies)	Eskom Holdings SOC, Ltd
Project Context	South Africa's indigenous energy resource base is dominated by coal, which is used in generation of around 90% of the electricity produced in South Africa. In 2005, the Government of South Africa passed the National Environmental Management Air Quality Act (NEMAQA), which defines the pollutant emissions limits for power plants. The Project is designed to support South Africa's commitment to reducing environmental pollution in the energy sector
Project Description	The contents of the Project include the design and construction of six flue gas desulphurization units along with ancillary facilities on the existing Medupi thermal power plant to reduce its sulphur dioxide emission.
Project Objective	The objective of the Project is to achieve sulphur dioxide (SO ₂) emission reduction of Medupi coal-fired power plant from 3,500 mg/m ³ to below 500mg/m ³ from 2026 onwards.
Implementation Arrangements	The Project is planned to be implemented over 7 years. Eskom will be the Project Implementation Agency
Environmental and Social Information	The positive impacts of the Project include reduction of SO ₂ concentration in Waterberg municipal district of Limpopo Province, contributing to: i) decreased adverse health impacts, particularly for respiratory health of the residents of the area; ii) reduced negative environmental impact caused by acid deposition. The Project has been classified as Category "A", in accordance with NDB Environment and Social Framework (ESF). The negative environmental and social impacts can be

	<p>mitigated by adherence to established environmental and social practices and requirements of the country system, as well as additional social management plans that have been developed for the Project. The negative impacts mainly pertain to i) risks related to labor strikes; ii) social tensions with communities related to expectations of employment; iii) compromised road safety resulting in high road accident rate.</p>							
<p>Financing</p>	<p>The total cost of the Project is estimated to be USD 2,750 million. The NDB will finance USD 476 million, accounting for 17% of the total cost. The remaining balance will be financed by other co-financiers</p> <table border="1" data-bbox="609 689 1449 824"> <thead> <tr> <th data-bbox="609 689 1023 728">Source of Fund</th> <th data-bbox="1023 689 1449 728">Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td data-bbox="609 728 1023 779">NDB</td> <td data-bbox="1023 728 1449 779">476</td> </tr> <tr> <td data-bbox="609 779 1023 824">Cofinanciers and Eskom</td> <td data-bbox="1023 779 1449 824">2,274</td> </tr> </tbody> </table>		Source of Fund	Amount (USD million)	NDB	476	Cofinanciers and Eskom	2,274
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