



**DEPARTMENT: MINERALS AND ENERGY
REPUBLIC OF SOUTH AFRICA**

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Mineralia Centre, 234 Visagie Street, Pretoria

Mr. John Ohiorhenuan
Resident Representative
UNDP
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**LETTER OF SUPPORT TO THE SOUTH AFRICAN WIND ENERGY
PROGRAMME (SAWEP) UNDP/GEF: SAF/01/G41/A/1/1G/99**

Dear Mr. Ohiorhenuan,

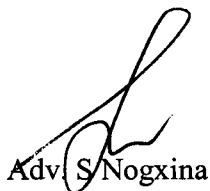
This is to confirm that the Department of Minerals and Energy (DME) fully supports the South African Wind Energy Programme (SAWEP). This five-year programme is an important contribution to the Government policy on renewable energy as defined in the White Paper on Renewable Energy.

- The White Paper on Renewable Energy sets a specific target of generating 10,000 GWh through Renewables by 2013. In the long run wind plays an important role in achieving this and further targets.
- As a follow up to the White Paper on Renewable Energy, my department is now formulating an implementation strategy which will re-confirm government's commitment.
- The South African government is actively supporting the development of markets for renewable energy technologies, including wind energy:

- The Darling wind farm project has been declared a National Demonstration Wind farm project.
- Cabinet approved and CEF has invested an amount of R19.38 million (approx. USD 2.9) in the Darling National Demonstration Wind farm which makes Government, through CEF, the major shareholder.
- The DME has made a substantial financial commitment to Renewables R19.5 million in the context of the World Bank supported Renewable Energy Market transformation project which could also assist wind farm development.
- DME is supporting the plans of EHN, a Spanish company, to develop wind energy in South Africa.
- DME, through the Danish funded CABEERE project, is currently preparing a model tender to expand wind measurements in order to quantify South Africa's wind resource.

The DME is committed to developing appropriate financial instruments together with all other project partners in order to close the financing gap. The government will actively support all project activities so that the milestones for phase 2 can be achieved. It is DME's understanding that at the end of phase 1 (December 2006), a substantial commitment (in terms of policies and financial gap, estimated at US\$8 million) will be required and only when such commitment exists, the investment phase 2, with an estimated US\$ 5 million GEF grant funding can be entered into. If that cannot be achieved there is the option of scaling down the size of the project at the end of the first phase (end of 2006), subject to second GEF CEO endorsement.

Yours Sincerely



Director-General