



P R E S S R E L E A S E

33rd MEETING OF SADC ENERGY MINISTERS

MASERU, LESOTHO, 16 May 2013

On the 16th of May 2013, the Ministers Responsible for Energy in the Southern African Development Community (SADC) held their 33rd meeting at the Lesotho Sun Conference Centre in Maseru, Lesotho. The meeting was preceded by a preparatory meeting of Senior Energy Officials on the 14th and 15th May 2013. It was opened by the Acting Prime Minister of Lesotho, Hon Thesele 'Maseribane and chaired by the Minister of Energy of Mozambique, Hon Salvador Namburete. The Acting Prime Minister emphasized to the meeting that regional integration for which SADC was founded is underpinned by efficient and seamless infrastructure development. He indicated that energy is a key driver for economic development and challenged the Energy Ministers to provide the necessary leadership and support to develop the energy sector.

The representative of the SADC Executive Secretary, who is also the Director of Infrastructure and Services, Mr. Remigious Makumbe, in his introductory remarks emphasized the importance of the SADC Regional Infrastructure Master Plan and that the Energy Ministers had an important role to play in the process of ensuring the implementation of energy component of the Master Plan.

Hon. Namburete noted that over the past 20 years there has been limited investment in the regional power sector and that the SADC Region lags behind other regional economic communities in Africa in terms of energy and electricity access. He indicated that Mozambique was investing in a number of power projects which will contribute to the regional generation capacity.

The Ministers noted that the SADC Regional Indicative Strategic Development Plan (RIDMP) was approved by the SADC Summit at their meeting held in Maputo, Mozambique in August 2012. The Energy Sector Plan, a component of the Master Plan, addresses four key energy security areas, namely: improving access to modern energy services, tapping the abundant energy resources, up-scaling financial investment and enhancing environmental sustainability.

The Ministers considered the power supply and demand situation in the SADC region noting that as at 24th April 2013, SAPP had an available capacity of 51,702 MW against a demand of 53,833 MW inclusive of peak demand, suppressed demand and reserves. This gives a regional capacity shortfall of 7,709 MW. Electricity demand increased by a weighted average of 2.5% per annum. A total capacity equivalent to 1,099 MW was commissioned in 2012 as follows: in Angola (340 MW), DRC (120 MW), Namibia (92 MW), Mozambique (107 MW), Tanzania (100 MW), South Africa (303 MW) and Zambia (37 MW) from rehabilitation and new projects.

The Ministers noted that the Region plans to commission 2,321 MW in 2013 and that it will have sufficient generation capacity reserves after 2016 if all projects are commissioned as planned while energy adequacy will be achieved by 2017. A total of approximately 17,000MW of new generation is expected to be commissioned between the period 2013 to 2016 of which 3% will be renewable energy from wind and solar. Ministers resolved to provide necessary government support in order to accelerate project implementation and press for completion of electricity projects according to the planned timelines to ensure that the stated targets are met.

Ministers also resolved to fast track implementation of interconnector and regional transmission projects such as: Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA) Transmission Project, Mozambique/Malawi Interconnector, Central Transmission Corridor, the Namibia/Angola Interconnector and Zambia/Tanzania/Kenya Interconnector with a view to complete the region's interconnectivity and relieve congestion on the regional grid to facilitate electricity trading.

The Ministers were briefed by the DRC and RSA on the status MOU signed by the two Member States in November 2011, which provides for the negotiation of a

Treaty, that would create a framework for facilitating power generation at Inga site and its delivery to the markets.

With regards to electricity regulation, Ministers noted that eleven (11) out of the fifteen (15) countries in the SADC region have introduced electricity regulatory oversight in the form of an energy or electricity regulatory agency and that the remaining Member States are at different stages of the process. The Ministers also noted that the SADC Region would not be able to comply with the Council Decision to reach full cost recovery tariffs by 2013. They however noted that most Member States have embarked on a process to do so and urged Member States that have not taken take the necessary steps towards cost recovery tariffs. To reach full cost recovery to do so as soon as possible and develop a roadmap by November 2013. Ministers noted that a sizeable population may not be able to afford economic energy prices and this may have an impact on efforts to increase access to modern energy services in the Region. They direct the SADC Secretariat, assisted by RERA and SAPP, to recommend to Member States innovative pro-poor electrification support strategies including the tariff structures that allow for a minimum level of service and ensure the viability of the power supply industry.

The Ministers noted developments at continental, regional and national level relating to the UN Sustainable Energy for All (SE4All) Initiative whose principal objective is to achieve Universal Energy Access by 2030 through: ensuring universal access to modern energy services; doubling the rate of improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix. They urged Member States to take part in the global processes of the initiative, including undertaking gap analyses and developing Action Plans by using the SE4All African Response programme championed by NEPAD and the African Union Commission.

The Ministers also noted that renewable energy is an integral part of the SE4ALL Initiative and urged Member States, assisted by the Secretariat, to mobilize resources to finalize the SADC Renewable Energy Strategy and Action. They commended the Governments of Austria, Britain and Finland for expanding the Energy and Environment Partnership programme whose objective is to provide grants to increase uptake of renewable energy technologies in the Region. They also

directed the SADC Secretariat to complete the feasibility study of establishing a centre of excellence for renewable energy and energy efficiency

Ministers noted that due to human capacity and budgetary constraints, the Secretariat was unable to implement some crucial activities, amongst them, energy statistics and planning, coordination of biomass energy conservation programmes, facilitating development of national biofuels strategies and guidelines and coordination of regional petroleum and gas activities encompassing the operationalization of the Regional Petroleum and Gas Subcommittee. They directed the Secretariat to prepare proposals for enhancing the capacity of the Energy Division at the SADC Secretariat and that of RERA for consideration by decision making organs of SADC.

Ministers adopted the Clean Energy on Education and Empowerment Initiative (C3E) presented by South Africa as one of the flagship energy projects for the Region. They further tasked South Africa to champion the initiative on behalf of the Region and work with the Secretariat to ensure that it is streamlined in the Regional Agenda. In addition the Ministers also directed the Secretariat, assisted by SAPP and RERA to develop a regional energy efficiency programme as the second flagship project for adoption by Ministers at their next meeting.

At closure of the meeting the Minister of Energy of South Africa, Hon B. Thomson gave a vote of thanks on behalf of her colleagues and the delegates. She thanked the People and Government of the Kingdom of Lesotho, especially the Ministry of Energy, Meteorology and Water Affairs for successfully hosting the 33rd meeting SADC Energy Ministers. She commended the SADC Secretariat and the subsidiary institutions (SAPP and RERA) for their tireless effort to ensure that the meeting is a success and the international cooperating partners, for their relentless support to the SADC energy sector.

Lesotho Sun Conference Center

Maseru Lesotho

16th May 2013.