



PRESS RELEASE
32nd SADC ENERGY MINISTERS MEETING GABORONE, BOTSWANA
26 May 2011

Ministers Responsible for Energy in the Southern African Development Community (SADC) held their 32nd meeting at the Gaborone International Conference Centre (GICC) in Gaborone, Botswana, on the 26th May 2011. The meeting was preceded by a preparatory meeting of Senior Energy Officials on the 24th and 25th May and was opened by the Minister of Minerals, Energy and Water Resources of Botswana, Honourable P. H. K. Kedikilwe, while Hon Isak Katali, Minister of Energy and Mineral Development of Namibia chaired the meeting.

Hon Isak Kitali emphasized that the SADC region needed to seriously address the challenges of the diminished surplus power generation capacity. He also stated that there was need to ensure that the solutions that are pursued will result into sustainable energy development in the region. He hoped that the region and the energy sector in particular will take advantage of the Conference of Parties (COP) 17 that is scheduled to take place in South Africa to enlist support in developing the renewable energy potential and addressing the climate change issues related to energy development and utilisation.

Hon Kedikilwe stated that the annual meeting of SADC Energy Ministers presents an opportunity to evaluate progress and challenges in the energy sector in the region and that the overall objective of the Energy Sector was to ensure the availability of sufficient, affordable and acceptable energy services that are to act as a catalyst for the attainment of economic development and eradication of poverty, without losing sight of the need for an environmentally sustainable use of energy resources.

In his remarks, the representative of the SADC Executive Secretary, who is the Director of Infrastructure and Services at the SADC Secretariat, Mr. Remigious Makumbe stated that the meeting provides a platform for taking stock of the status of implementing energy programmes and projects as espoused by the regional blueprint, the RISDP. He pointed out that addressing power deficit in the region has been accorded the highest priority on the basis of which efforts are being made to scale up the regional capacity to generate power, which is pivotal to the stimulation of economic growth of the 15 SADC Member States. Mr. Makumbe stated that in the past year about 1,040MW of new generation capacity has been installed in the Region but owing to the sustained economic growth that the region has experienced, demand continues to surpass supply. On the status of implementation of the SADC energy sector programme and projects, the Ministers noted that SADC shall publish a Statistical Yearbook which will include energy statistics and urged the Member States to work closely with the SADC Secretariat to collect the required energy statistical data as input into this process.

Ministers recalled that during their last meeting they approved the review of the SADC Energy Sector Governing Instruments such as the SADC Energy Protocol, SADC Energy Policy, SADC Energy Strategy and Action Plan and SADC Energy Activity Plan. They noted that this review had not been undertaken but that however, negotiations were ongoing with Norway to assist with funding with a view to have the review completed by March 2012.

Regarding New and Renewable Sources of Energy the Ministers noted the support provided by the Government of Finland to develop the Renewable Energy Strategy and Action Plan which will be finalized by the end of January 2012.

The Ministers noted the status of the Energy and Environmental Partnership (EEP) programme funded by the Government of Finland and other partners which is operating in 7 SADC Member States and confirmed their desire for the continuation and expansion of the programme to cover other Member States when additional resources are availed.

The Ministers directed the Secretariat to learn from the carbon trading experience of Angola, South Africa and Lesotho in reviewing the carbon trading process initiated by the Programme for Biomass Energy Conservation (ProBEC) project. They also mandated the Secretariat to negotiate and sign a Carbon Trading Agreement based on the ProBEC initiative.

The importance of Biomass as a fuel used by the low income population of the SADC Region population who constitute a majority was recognized by the Ministers who directed the senior officials to continue providing financial and policy support to local structures tasked with implementing related activities after GIZ funding for biomass in SADC ended in 2010. To this end Member States agreed to continue using the SADC Framework for Sustainable Biofuels Development and the Biofuels Decision Making Tool as they develop their own biofuels' policies, strategies and submit progress reports to the SADC Secretariat.

Ministers considered the power supply and demand situation in the SADC region and noted that the peak demand in 2010 was 45,650MW which requires generation capacity amounting to 50,306MW. With the available capacity at 49,981MW this gives a deficit of 325MW. According to the current projection, the region will attain self-sufficiency in power by the year 2014, provided implementation of planned projects remains on course.

The Ministers urged Member States to take measures necessary to ensure completion of projects as per the planned milestones and invited the SADC Secretariat assisted by SAPP to effectively monitor the implementation of power projects and submit reports to Ministers. They also urged Member States and directed the SADC Secretariat and the SAPP to facilitate the adoption of the pool plan by the Ministers and use it to identify generation and transmission projects with regional impact and to ensure that a framework for developing, facilitating and financing regional projects is constituted.

The Ministers noted that the Region had implemented demand side management as directed by the Ministers and a saving of 750MW was realised in 2010 using CFL and commercial lighting technologies. Ministers invited the SAPP to prioritise the Central Transmission Corridor as a critical regional project which if implemented would facilitate cross border power trading leading to the increased trade volumes on the day ahead market.

Ministers also agreed that maximum penalties should apply for theft and vandalism of power equipment and that the laws in the region should be harmonised in addressing the problem.

They noted the status of implementation of the RERA Regulatory Guidelines for Cross Border Power Trading in Southern Africa and commended the Lesotho Electricity Authority and the Energy Regulation Board of Zambia for adopting the Guidelines as best regulatory practice. Ministers urged other regulators to adopt the Guidelines by end of July 2011. Regarding the electricity tariffs, Ministers reaffirmed the need to move towards cost reflective tariffs to attract new investments but acknowledged the challenges in meeting the timeframe of the SADC Council to reach cost reflective tariffs within five years from 2008. Ministers directed RERA in collaboration with SADC Secretariat and SAPP to ensure that the annual regional publications on SADC Electricity Tariffs and Selected Performance Indicators are produced in time for the Ministers meeting.

At closure of the meeting, Hon. Elton Mangoma, the Minister of Energy and Power Development of Zimbabwe gave a Vote of Thanks. He thanked the People and Government of Botswana, especially the Botswana Ministry of Minerals, Energy and Water Resources for the hospitality and the protocol put at their disposal and thanked the Honourable Ministers for their presence and excellent deliberations. He commended the senior officials, the SADC Secretariat, the utilities, SAPP and RERA for their focused preparations which facilitated decision making by the ministers. Hon. Mangoma also commended the cooperating partners of which DBSA and NEPAD were present, and the Government of Norway who had sent apologies, for their continued support to SADC.

Finally the Ministers expressed appreciation to Lesotho for having accepted to host the 33rd SADC Energy Ministers Meeting between March and May 2012.

**Gaborone International Conference Centre
Gaborone, Botswana**

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