

**Statement by Minister Peters, on the Occasion of the Signing Ceremony of the Grand Inga Project MOU between the Republic of South Africa and the Democratic Republic of the Congo in Lubumbashi, DRC.**

**12 November, 2011**

The Grand Inga project allows the two countries to work jointly towards the development of strategies for low carbon economies and resilient energy systems and the development of the Grand INGA is capable of generating 40 000 megawatts when completed.

Africa is characterised by energy poverty defined as lacking access to modern energy services for basic household needs, public services, and income generation. In Africa we lack the most basic level such as access to electricity for lighting, health, education, communication, and community services, as well as access to modern fuels and technologies for cooking and space heating. Energy access enables improved productivity in the agricultural, commercial, and transport sectors, empowering communities to engage in self-sustaining productive activities. The highest access level fulfills the needs of everyday life in modern societies, providing sufficient electricity to power domestic appliances and meeting increased energy requirements for heating, cooling, and private transportation, industrial development, economic development and ultimately employment and better standard of living – a basic human right.

Africa's position has the lowest access to modern energy carriers despite the reality that Africa has some of the world's greatest potential for low carbon development, which the Grand INGA project represents. This is a contradiction and through this project, we are doing our part to address the challenge. The Grand Inga presents an opportunity to diversify towards a sustainable energy mix and this is possible if we have as a continent a right mix of domestic policies,

innovative technologies and international finance assistance. The continent could become a leader in reconciling growth, clean energy and climate change mitigation efforts. The African Energy Ministers Conference held in Johannesburg in September 2011 committed to pursuing suitable and sustainable energy mix using appropriate technologies. This can only be successful if projects such as the Grand Inga are promoted. This MOU paves the way and is the initial step in the realisation of the aspirations of the DRC, South Africa and the rest of the continent. This project can be successful if we cooperate to raise funds to implement the project work, as a continent to facilitate the uptake of the generated power which should benefit the DRC first and the rest of the neighboring countries in the SADC region, Central Africa and the rest of the continent. The 40 000 MW are capable of ensuring that this dream is met. As a region it is also important that work is initiated to ensure that the regional interconnectivity is pursued and that our transmission lines are ready to transmit the clean energy to be generated. The South African Power Pool where both Eskom and SNEL play an important role should be working together to enable the transmission system to carry the energy to consumers.

The two countries through this MOU have agreed to play substantial determinant roles through their respective state entities in the development of the project. Eskom and SNEL (Société Nationale d'Électricité Société à Responsabilité Limitée) representing South Africa and the DRC respectively, will be the primary participants in the project. Eskom and SNEL will be entitled to a portion of the output of the project pursuant to the power purchase agreements with the applicable project companies, with additional power output sold to other parties if agreed.

The government senior officials together with the experts from Eskom and SNEL will within six months craft a Treaty which will detail the implementation plan of the projects giving effect to the MOU.