



**Welcome Address by Honourable Jeff Radebe, MP**

**Minister of Energy, at 4<sup>th</sup> IEF OFID Symposium on Energy Poverty**

**Date: 02 May 2019**

Programme Director;

His Excellency Sun Xiansheng, Secretary General, IEF

Mr Belkacem Ouzrourou, Director, Africa Region, OFID

Mr Dapo Odulaja, Head, Data Services Department, OPEC

Mr Mahaman Laouan Gaya, Secretary General, APPO

Presidents and Vice Presidents of National and International Oil & Gas Companies

Honored Guests here present

Executives and senior officials from governments and private energy sector;

Academics;

Delegates,

Distinguished Guests, Ladies and Gentleman

**Good Morning,**

It is a great honour for me to welcome you all to this **4<sup>th</sup> IEF OFID Symposium on Energy Poverty** hosted by the Republic of South Africa, with the support of the JODI Partners, including the International Energy Forum (IEF) and the OPEC Fund for International Development (OFID) under the theme “Energy Poverty in Sub-Saharan Africa: Options for Closing the Gap”

I would like to applaud and encourage the continuous participation of different countries on the efforts made by the collaboration of IEF and OFID to address the issue of Energy Poverty in Africa.

On behalf of the Republic of South Africa I would like to express our appreciation for the opportunity to host this Symposium and to applaud the JODI Partners for choosing Cape Town, South Africa as the venue for this venerated symposium. A special appreciation and welcome also goes to AFREC, IEA, GECF, UNSD for gracing our shores with your presence. We encourage your continued participation and efforts to address the issue of Energy Poverty in Africa.

We regard this JODI platform as an opportunity to foster Partnership with fellow developing countries worldwide with the aim of eradicating energy poverty and stimulate economic activities.

South Africa hosts this 4<sup>th</sup> Symposium barely 7 days before our 6<sup>th</sup> democratic national elections. Our elections will be held on 8 May 2019 to elect a new National Assembly and Provincial Legislatures in each of our nine provinces. It is, therefore, good timing and relevant for this Symposium to address the challenge posed by the paucity of energy data, because in the South African context we refer to the challenges of poverty, inequality and joblessness. Energy poverty can only be effectively addressed by closing the energy data gaps because without energy data, it becomes very difficult for us to plan in the quest for Sustainable Energy for All.

This 4<sup>th</sup> Symposium is building up from the symposium held in Tunis during 2017. We also note that these Symposia follow the long history of collaboration between the IEF and OFID, and reflect the outcomes of the 15<sup>th</sup> Ministerial International Energy Forum which was held in Algiers, September 2016, whereby Ministers

expressed their support for the 2030 Sustainable Development Goals of the United Nations.

We are on a drive to attract investments into projects throughout the country. In 2018, President Cyril Ramaphosa set a target to lure investments of \$100bn by 2023, in an attempt to stimulate economic growth. Our economic growth target has been falling far short of the 5.4% annual target set in the National Development Plan.

There are opportunities for developing countries, like South Africa, to position themselves to benefit from the 4<sup>th</sup> Industrial Revolution (4-IR). The 4-IR requires that we are prepared to capture, analyse and process large data. It is characterized by a fusion of technologies that is blurring the lines between the physical, digital and biological spheres, collectively referred to as cyber-physical systems.

The JODI workshop which took place in this venue over the past two days deliberated on energy data availability and transparency, amongst other topics. The need for high quality data, which is captured in a transparent manner cannot be over-emphasized. With quality data, Governments are able to develop well considered energy plans for various forms of energy carriers such as electricity, liquid fuels and gas. These policies, informed by quality data, are geared towards improving the economic outlook of South Africa.

Furthermore, most African countries realise the need for energy transitions from the historic forms of energy production and consumption to the new and modern ways of consuming energy.

Our proposition in South African is that this transition must be a *“Just Energy Transition”* based on high quality data so that we avoid unintended consequences of job losses and creation of “ghost towns”. Both the JODI workshop and the 4<sup>th</sup> Symposium are strategic for the development of the African continent and its economic prosperity.

Partnership with fellow developing countries worldwide will be fostered and maintained through this Symposium, with the aim of eradicating energy poverty and stimulating economic activity.

Sustainable Development Goal (SDG) 7 aims to “Ensure access to affordable, reliable, sustainable and modern energy for all”.

Ministers from member countries also acknowledged the important role of the IEF, alongside other organizations to help ensure that energy access remains an integral part of the producer-consumer dialogue and is high on the Ministerial agenda.

It is quite heart-warming to realize that the Symposium on Energy Poverty engages African countries, including representatives from Governments and industry, academia, multilateral and bilateral organizations as well as financial institutions. The Symposium is therefore, strategically positioned to assist agencies to develop better understanding of energy poverty issues, to share experiences and knowledge, and to help find a practical path forward to accelerate progress in achieving universal access to modern energy services by 2030.

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In the context of universal access to energy, a well-designed and integrated structure of energy supply chain is critical for Africa’s development. All energy sources should be employed based on their relative merits so that efforts to eradicate energy poverty are as technologically neutral as possible and always with emphasis on affordability.

In many developing countries, there are unfulfilled demands for modern energy service in both urban and rural areas. Providing access to energy in the quantity and quality required can be a costly undertaking in environments where financial resources are constrained and the global economy is staggering.

Allow me to share some of the policies South Africa has implemented in pursuit of eradicating energy poverty in recent years.

### **Electricity Generation**

South Africa established and promulgated the Integrated Resource Plan, which is data-intensive and a national plan to that drives energy access and sustainable development as some of its objectives. The IRP outlines the generation technologies for the country, including local biomass, wind and solar photovoltaic options for improving access to energy. To date I can proudly indicate that at least 87% of South Africans have access to modern forms of energy.

For the implementation of the IRP, we have introduced Independent Power producers side by side with Eskom, under the IPP programme. These projects are fully funded by the private sector through debt (loans) and equity. A total of 14 billion US dollar Foreign Direct Investment (FDI) has been injected into our economy through the IPP programme. We are looking to attract more FDI in new bids that will be announced in the future.

This Symposium also provides an opportunity for investors and technology providers to get more information and data on South Africa's power generation programme.

South Africa's power generation technology preference is contained in the Integrated Resource Plan (IRP). The draft IRP has been through extensive consultative process that we are now about to finalize. The final leg of this process is with NEDLAC (National Economic Development and Labour Council), a multi-constituency forum consisting of Business, Labour, Civil Society and Government. We expect NEDLAC to conclude this process soon so that I can table the IRP at Cabinet for approval.

## **Liquid Fuels**

Data collected in relation to our 20-year Liquid Fuels Infrastructure Roadmap report indicated that the current oil refining infrastructure is aging and is unable to meet our clean fuels requirements, unless major upgrades are effected. The country is thus in need of new infrastructure to meet the increasing demand for petrol, diesel and associated by-products.

To this extent, we have relied on our energy statistics to pre-empt a future challenge this enabled us to open discussions with countries that produce crude oil to look at possibilities of developing additional refinery capacity in provinces throughout South Africa.

## **Gas**

South Africa currently imports bulk gas via a pipeline from Mozambique. This energy project requires of us (South Africa and Mozambique) to continuously work together in improving a cross-border regulatory framework that is necessary for a conducive investment environment and improved gas trading.

We regard JODI as an enabler of evidence-based decision making by government, together with industry, investors and the public to achieve all these co-benefits on energy access, sustainable development and a better life for all.

I wish you well as you engage on this symposium that has a potential to change Africa's economic trajectory.

**I thank you.**