

SPEECH BY MINISTER OF ENERGY MS DIPUO PETERS (MP) AT THE OCCASION OF THE LAUNCH OF THE QUNU INTEGRATED ENERGY CENTRE (IeC), AT QUNU, EASTERN CAPE PROVINCE

14 JANUARY 2011

**The Premier of Eastern Cape, Ms Noxolo Kiviet;
Chairperson of the PPC of Energy, Mr. Sisa Njikelana, MP;
Ms Winnie Madikizela-Mandela, MP;
Chief Patekile Holomisa, MP;
Chief Zwelivelile Mandela, MP;
MEC of Economic Development, Mr. Mcebisi Jonas;
Executive Mayors of OR Tambo, cllr;
Diko and King Sabata Dalindyebo Municipalities, cllr;
Mlamli, Speaker of KSD Municipality, Cllr;
Dondashe, CEO of Total SA,
Mr. Jean-Denis Royere;
Chairperson of Sasol Oil, Mr. Maurice Radebe.**

Let me also acknowledge officials from:

**Sasol, Engen Oil, Total SA, PetroSA, Shell;
District and local Municipalities, my department and other government departments and all of you fellow South Africans.**

Ladies and Gentlemen, we are gathered here today to fulfill the promise that we made on the 27th February 2010, when we came here to conduct a sod tuning ceremony of the Qunu IeC. This is indeed a clear indication that the ANC government is serious about service delivery and a better life for our people –

that cannot be disputed. Last week the President stressed the need for us to focus very strongly on job creation. We believe that this IeC and the local enterprises that it could support will create the necessary jobs in this area. For instance, with the supply of LPG at this IeC, a local bakery is possible. One of the many approaches that DOE has developed aimed at addressing energy poverty through deliberate interventions in the 2nd economy is the Integrated Energy Centres (IeCs) programme. The DOE is partnering with relevant stakeholders, private sector, municipalities and communities in establishing the Integrated Energy Centres. As a result, this is a public private partnership (PPP) venture.

An Integrated Energy Centre (IeC) is a **one-stop energy shop owned and operated by the community Cooperative** and organised as a community project. It provides energy solutions to communities, access to affordable safe & sustainable energy services, information and awareness on how to handle and utilise energy services e.g. Paraffin, LPG etc. and SMME development through partnerships with key stakeholders, such as NDA, the DTI, etc.

There are six (6) IeCs that are operational since the DOE initiated this programme a few years ago. These are; Kgalagadi and Moshaweng IeCs in Kuruman (Northern Cape), Eshane in Greytown (KZN), Caba Mdeni in Matatiele (Eastern Cape), Mutale in Thohoyandou (Limpopo) and Ratlou in Makgobistad (North West). Other new IeCs are at different stages of development. I am happy to announce that the national Oil Company, PetroSA and Shell have joined Sasol and Total South Africa as our partners in this regard. I wish to acknowledge Sasol Oil and its commitment to the Government programme of Integrated Energy Centres. We trust that as Chairman of Sasol Oil, Mr. Radebe will continue the support he gave to this programme when he was MD of Sasol Oil. Of course we expect other oil companies to follow suit. We are currently

reviewing the leC implementation strategy and the roll out plan to fast-track the establishment of the leCs and align them with the Government's Comprehensive Rural Development Programme. The vision of the Ministry towards this end is that the establishment of leC cooperatives will contribute towards job creation and community development overall. The roll out of the leC Programme is one of the vehicles that the Department has embarked upon to contribute to rural development and job creation in the fight against energy poverty.

Some of the objectives of the leCs are:

- To provide access to safe and affordable energy sources to poor households.
- To provide access to information regarding the safe, efficient and environmentally sustainable use of energy sources.
- To provide access to safe energy appliances.
- To empower the communities to be able to influence policy in both the public and private sectors regarding access to safe and affordable energy.
- Under-lying these objectives is a very strong social responsibility aimed at poverty alleviation, job creation and capacity building.

The leCs acts as community information hubs and “energy shops” that sell illuminated paraffin (IP), liquid petroleum gas (LPG), candles, petrol and diesel from oil companies and sell these products to the community at more affordable prices. These products are supplied directly from the depots to the leC, thereby eliminating the middle man. Each leC is linked with the Integrated Development Plans (IDP's) of the Municipalities, which is implemented through the ISRDP, thus integrating the provision of wider energy choices with other projects like water supply, income generating projects, building schools and clinics, etc. The

community Cooperative owns this process and works with the Local Authorities (Municipalities), especially as they were part of developing the IDP's.

The leCs will establish a village vendor network of at least 8-10 people to serve as delivery points within the communities so that people could purchase energy products instead of travelling to the leC. The village vendors will be trained on how to use the energy sources safely and they in turn are expected to training to local people. This will be carried out in partnership with the Paraffin Safety Association and LPG Association.

What gives me even greater pleasure is that people from the rural setting where one of the best sons of South Africa was born, will no longer have to travel kilometres in order to buy two litres of paraffin or six candles.

The Qunu leC is the first one to be linked to a library to ensure that information is accessible to the local people. This would be enhanced by access to more information via the internet connected to the computers on site.

The OR Tambo District Municipality is one of the most challenging areas in the Eastern Cape Region with regard to addressing the current electrification backlog. The Department has embarked on a special intervention to try and accelerate the electrification programme in the area. Funds are being allocated directly to Municipality to undertake electrification in the Eskom's area of supply. The following have benefited i.e. Ntabankulu, Mhlontlo, and Ngquza Hill Municipality. In the 2011/12 financial year this approach will also be implemented at the Nyandeni Municipality.

In the Qunu area, 300 connections were completed in December 2010 and a further 300 households will be connected end of January 2011. There is a backlog of 179 318 houses without electricity with 1% households growth. The challenge for the Department will be to ensure that sufficient funding is allocated in the following years so that the universal access is achieved by 2014.

I would like to warn people to desist from selling fuel without authorization. We will ensure that such people are prosecuted. My Department has in the past two days as part of ensuring compliance to the petroleum licensing regulations, conducted a series of unannounced inspections at service stations around Mthatha. We will be visiting more areas in the coming months and will refer unlicensed dealers to the law enforcement authorities.

In conclusion, my department would like to re-affirm our commitment to establishing more leCs throughout the country in order to reduce energy poverty. We will continue to engage with all our partners to ensure that we deal with all the challenges and obstacles that we face in rolling out the leCs.

I am very pleased and commend Sasol, OR Tambo and KSD Municipalities, Qunu Clinic, Wilton Mbikane Senior Secondary School, the Nelson Mandela Museum and the entire Qunu community led by Chief Nokwanele, for all the hard work, dedication and commitment to date in ensuring that the establishment of the Qunu leC becomes a reality. The school and the clinic have provided land for the establishment of the leC and I am sure that if we continue to co-operate that way, this project will be successful. The leC should continue to work in partnership with the school to manage the library and the computer room to

ensure that these resources are fully utilized to the benefit of the local community.

One of the areas we will need to focus on is the sustainability of this leC. The local leadership should keep a keen eye on the business of the leC to ensure that it does not falter. My Department will be there to provide support and also to continue to work together with the KSD and OR Tambo municipalities to ensure that the remaining households are electrified.

Thank you!!!!