

**REMARKS BY DEPUTY MINISTER B THOMPSON
AT THE ELECTRIFICATION INDABA
DURBAN 15 MARCH 2012**

Minister of Rural Development and Land Reform, Minister G. Nkwinti;
MEC for Corporate Governance and Traditional Affairs of KZN, Ms Nomusa Dube;
Deputy Mayor of eThekweni Metro, Cllr. N. Shabalala;
Mayors and Councilors of various Municipalities;
DG of Dept of Energy, Ms Nelisiwe Magubane;
DG's of line function departments;
CEO of Eskom, Mr Brian Dames;
Officials of Eskom, SALGA, AMEU, Local Authorities and of different Provincial and National Departments;
Senior management of the different sectors of the Electricity Industry present;
Ladies and Gentleman

Good morning to you all!

I would like to thank you for your attendance at this very important Electrification Indaba.

As outlined by the United Nations' Secretary-General in his personal foreword to the "Sustainable Energy for All Framework for Action", access to energy is the golden thread that connects economic growth, increased social equity, and an environment that allows the world to thrive. Widespread energy poverty condemns billions to darkness, to ill-health, to missed opportunities for education and prosperity (The Secretary-General's High-level Group on Sustainable Energy for All, 2012).

In general, development is not possible without energy, and sustainable development is not possible without sustainable energy. Energy is critical in improving

the well-being of the poor who need it for cooking and lighting, heating water, transportation and the production of goods and services. Energy access affects the quality of life by contributing to better public services, such as health care and education, and improving the possibilities for income generation and employment. Energy's crucial role in enabling development makes the provision of adequate, affordable, and reliable energy services necessary to achieve the Millennium Development Goals (MDGs) and the goals mentioned in the Johannesburg Plan of Implementation (UNDP, 2005).

In line with this "Sustainable Energy for All Framework for Action" UN initiative, South Africa's Department of Energy is actively celebrating the 2012 year of sustainable energy with a particular focus on the month of March, has also declared 2012 the Year of Access to Energy, and the month of March as Energy Month.

The access to electricity, as a form of energy, is the mainstay that gears the development activities leading to the improvement in the quality of life. It plays an important role in the eradication of energy poverty as it is the basis for delivering a host of energy services such as clean illumination in the home and in schools; the ability to operate life-saving equipment in clinics; the running of industries and productive small businesses; and providing modern communications technology.

The Department of Energy (DoE) has been mandated with the responsibility of ensuring secure and sustainable provision of energy for socio-economic development in the country. DoE's vision for 2014 is to have a transformed and sustainable energy sector with universal access to modern energy carriers for all.

According to the White Paper on Energy Policy (WPEP) for South Africa (1998), the responsibility for electrification is mandated to the Department of Energy (the then Department of Minerals and Energy). Furthermore, the WPEP, policy statement 7.1.4.1 states that:

"Government commits itself to implementing reasonable legislative and other measures, within its available resources, to progressively realize universal household access to electricity."

Based on the commitment in the WPEP, the Integrated National Electrification Programme (INEP) was established and mandated to provide basic access to electricity for all citizens of South Africa.

Electricity connections are delivered under INEP in partnership with Eskom, Municipalities and non-grid service providers. Eskom and Municipalities are responsible for making grid connections in selected parts of the country. In other areas, private concessionaires provide electricity using non-grid (solar home system) technologies.

To date, 82% of formal housing, which equates to 75% of all households, have been electrified. This is a significant achievement considering the population growth and household growth over the years. In less than two decades, more than 5.4 million new household connections have been achieved via grid and more than 46,000 connections via non-grid technologies; more than 12,000 schools have been connected to the grid, and 3,000 schools have been electrified via non-grid technologies; and 360 clinics have been connected to the grid, while 345 clinics in deep rural areas were supplied with non-grid electricity. In addition about 6 500 more non-grid connections were also made through grant funding from countries assisting in the electrification programme.

Despite its successes to date, the electrification programme is facing with a number of serious challenges. These challenges can be grouped into three categories, all of which must be addressed simultaneously if the electrification Programme is to be successful in future. These categories include: 1) Increased electrification targets; 2) Increasing electrification costs, and; 3) Delivery capacity. Looking at the Agenda, these aspects will be deliberated on during this Indaba.

All aspects associated with these categories must be addressed if universal access to electricity is to be achieved. Furthermore, each stakeholder has a role to play in meeting this common goal and addressing these challenges.

It will require from us all,

- Government;
- the various implementers that are involved in this programme;
- consulting entities;
- manufactures;
- research institutions;
- development agencies and
- our communities

to take hands and look re-fresh to electrification and the manner we implement the current programme, as well as the way we understand electrification. Is it not time that we start talking about energization of our communities, instead of electrification?

In doing this we need to call on all resources, those that are currently actively involved and even those entities that have not previously been involved in the electrification programme, such as private entities that have left electrification to the traditional utilities, to become part of this programme. Entities such as the World Bank, IFC, DBSA and commercial banks are invited to make contributions to our electrification programme, by give professional guidance where the current Government programme is falling short in funding options and implementation strategies.

I am of the view that this Indaba will not only be another event as part of the Energy Month, but the future of the delivery of a very important service, i.e. electricity to all households, will be taken a positive step forward following the outcome of the deliberations that will take place over the next two days. I wish you good luck and looking forward to see the birth of a new way forward for electrification in this country.

I THANK YOU !!!!!