



Sustainable Energy & Climate Change Partnership

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A project of Earthlife Africa Jhb and WWF, Denmark

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ATTENTION:

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|--------------------------|-------------------------------------|
| ▪ Minister Mpahlwa | - Trade and Industry |
| ▪ Minister Erwin | - Public Enterprise |
| ▪ Minister Mlambo Ngcuka | - Minerals and Energy |
| ▪ Minister Manuel | - Finance |
| ▪ Minister van Schalkwyk | - Environmental Affairs and Tourism |

OPPORTUNITY TO SECURE FINANCE FOR ENERGISATION AND JOB CREATION

Dear Honourable Ministers Mpahlwa, Erwin, Mlambo Ngcuka, Manuel and van Schalkwyk,

Congratulations on your appointments as Ministers - we wish you all the very best as you lead South Africa into the second decade of democracy.

We write to request you to:

- Consider a long-term energy strategy for our country that will put the interests of our children and future generations before the short-term interests of the financial sector,
- Advance the African Renaissance through ensuring a leadership role at the forthcoming conference Bonn *renewables* 2004 (being held in Germany from 1 to 4 June 2004). This inter-governmental and multi-stakeholder event gives us the chance to make real commitments to implement renewable energy, which were bargained away in the closing stages of the World Summit on Sustainable Development.

When proposed global targets for new renewable energy were dropped due to opposition from the US and others, an initiative for collaboration by willing countries was announced that is now known as the Johannesburg Renewable Energy Coalition, of which South Africa is a member. While JREC has recognised the importance of renewable and energy efficiency for

- national energy security
- reducing spending on oil imports
- diversifying the energy sector
- creating jobs or delivering energy services with technologies that can be managed by users, including in areas not served by the electricity grid;

what still needs to be established is political will and agreements that will change the behaviour of international financial institutions.

The costs of our fossil fuel addiction are rising, not only through rising fuel costs (matching diminishing reserves) and direct pollution impacts, but through accelerating climate change caused by past greenhouse gas emissions (the effects of current emissions will take up to 30 years to manifest). A just transition to sustainable energy is certainly a long-term project, so the sooner we make an ambitious start, the smoother and more affordable it will be. The countries that embrace the challenge now will not only have more robust and competitive economies within a generation, but will have more empowered and sustainable communities. As the largest economy on our continent we have a moral obligation to play a leading role.

Business lobbyists are telling you that the guaranteed path to energising our continent is to follow the same pattern of economic growth as the North. But we do not have the colonies or external resource base that facilitated their rise to economic power. If we are serious about sustainable development, we need to establish enforceable mechanisms to deploy financial resources, rather than being directed by trans-national capital. This requires multi-lateral agreements forged by determined leaders working for the common good, negotiating not just for national advantage, but also for long-term benefits for the people of Africa and the South.

If some current governments are obstructive at the conference they must be marginalised, even deprived of speaking rights. Bonn *renewables* 2004 is happening outside the UN system to allow willing countries to move forward, in the confidence that sound outcomes will be brought under the control of the UN. Many stakeholders will be participating and many will support bold leadership. Representatives of corporations and financial institutions should leave their glossy advertising and superficial reports at home and arrive with a mandate to enter into binding and quantified commitments.

A recent South African study illustrates one of the reasons for committing to long-term targets that will support the development of local production of renewable energy technologies. The research 'Employment Potential of Renewable Energy in South Africa' was commissioned by Earthlife Africa and undertaken by Agama Energy. Many job creation opportunities are analysed, including vast potential in bio-fuels production and solar water heating, which should have distinct targets. In Chapter 8 it notes that "*RE electricity generating technologies will create 36,400 new direct jobs when providing 15% of the total electricity mix in 2020, without taking jobs away from the coal-based electricity generation sector.*"

Another study, undertaken by UCT researchers, established that a 2020 target for 15% of electricity supply from renewable resources (not counting input from large dams), in conjunction with incentives for energy efficiency, can achieve net *savings* to the South African economy over a 20 year period. The policies and measures (PAMs) analysed were subject to the same computer modelling used by Eskom and the DME. Objectives such as this do not require (but will be easier to attain with) concessionary technology transfer agreements for local production. Transfer agreements that are to be considered, and which your departments could work to secure, at Bonn *renewables* 2004.

The South African position paper for the conference is currently being developed and officials have committed to a process for public comment. This position should give clear direction to officials and representatives of our parastatal institutions to embrace ambitious and binding outcomes to initiate the transition to sustainable energy and signal to other nations in sub-Saharan Africa that we are not unaware of the impacts of our energy-intensive economy, which extend far beyond national borders.

Ministers, as we embark on our second decade of democracy, let our light not only be associated with smoke, slagheaps and massive power-lines to trans-national industry or exporting electricity to Europe, requiring rapid cashing in on our mineral reserves, but also with diverse and locally appropriate energy options that draw on our rich endowment of renewable resources to empower our people.

Yours for a just transition to sustainable energy.

Richard Worthington
SECCP Project Co-ordinator

Note: The 'Employment Potential of Renewable Energy in South Africa' and 'The Independent PAMs Study' were commissioned by the Sustainable Energy and Climate Change Project (SECCP) of Earthlife Africa, Johannesburg branch, at a cost of over R1.2 million, with the support of the Danish government (Danida).