



**KEYNOTE ADDRESS AT THE
FIRST NATIONAL STAKEHOLDER WORKSHOP ON NAMIBIA'S
ENERGY POLICY**

BY

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SAFARI COURT HOTEL, WINDHOEK

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- **Director of Ceremony, Mr. Ferdinand Molale**
- **Hon Kornelia Shilunga, Deputy Minister of Mines and Energy,**
- **Mr. Erasmus Shivolo, acting PS of Mines and Energy,**
- **His Worship Muesee Kazapua, Mayor CoW,**
- **Hon Governors present here,**
- **Regional Councillors present here**

- **Mrs. Foibe Namene, CEO of the ECB, and your staff,**
- **MD's and CEO's of all utilities and your staff present,**
- **Staff of the Ministry of Mines and Energy present,**
- **Representatives of other Government Ministries,**
- **Representatives of Commerce and Industry, and Experts,**
- **Members of the Media,**
- **Distinguished invited guests,**
- **Ladies and Gentlemen,**

It is with distinct pleasure and humility that I am standing here before many of you for the umpteenth time in the last couples of weeks if not months and this time addressing this first National Stakeholder Workshop on Namibia's National Energy Policy.

As the Minister of the Ministry of Mines and Energy, I am responsible for the development and implementation of policies that express the Government's ambitions and

intentions with regards to the country's mining activities, as well as the provision of energy to all Namibians.

Today, I am delighted to say that I will be donning my **Energy Hat**, and I will pay attention to energy-related matters.

Before I get to share some views and thoughts with regards to the country's energy sector, please allow me to thank all of you for taking time out of your very busy schedules to attend this workshop, and would like to encourage you to actively contribute to today's proceedings.

Having a large number and variety of stakeholders discuss our common energy future is bound to result in differences of opinion. We should treasure this diversity of opinions, for this is where solid debate can thrive, and good solutions are born. Rather than focusing on differences that may exist, I wish to further encourage you to actively listen to one another, and then seek ways in which we can constructively find common grounds in the common endeavor of moving forward together.

Today, we are at a very important juncture, in that we will commence with the creation of a framework that will guide our country's energy future and could well be for a foreseeable medium to long term. **As such, our National Energy Policy is to express our shared ambitions for our common future.**

As an active participant in this important workshop you have a unique opportunity to express your opinion on any relevant matter. By synchronizing our views, ambitions and visions for the future we will one day all rightly and proudly say that we have been an intricate part in **creating our country's energy future**. For me personally, this is both exciting and important, and I hope that I can share my enthusiasm with you, and motivate you to express yourself on those energy-related matters that are important to you.

Distinguished invited guests, ladies and gentlemen, we recognise that energy is *the* critical lubricant of modern life.

Without this very lubricant, most of what we consider to be

common everyday services or commodities would simply not be available. **Energy is profoundly a key pre-requisite for Namibia's socio-economic development.**

The Government of Namibia considers the country's energy sector to be of strategic importance **for our nation's ongoing development.** It is therefore imperative that we structure the development of the energy sector in a manner that yields the most maximum development benefits, not only for the current generation, but for generations to come.

In view of the critical role that energy plays, the Ministry of Mines and Energy is currently guiding the development of three but separate national policy documents, namely

- the Policy for Independent Power Producers, or “**IPP Policy**”;
- the “**Renewable Energy Policy**”; and
- the “**National Energy Policy**”.

The IPP Policy is crucial in attracting investments in power generation projects that are to be undertaken by

Independent Power Producers. Government alone cannot shoulder the immense investment requirements necessary to ensure that the security of electricity supply can be met. This realisation necessitates that we create framework conditions that attract new investors to the sector, and that signals that Namibia is open for business and welcomes energy sector investments.

In an effort to better understand specific investor requirements

I have personally met with representatives from more than 30 organisations active in the electricity sector in the past two months. These consultative meetings have highlighted once again that we, as representatives of Government, can only truly shape Government policy if we are prepared to listen to the needs, wishes and aspirations of our stakeholders. Today, I can confidently state that I have a much better understanding of the issues and challenges facing investors who wish to be active in our electricity sector. At the same time, I have had the opportunity to share

some of my observations with sector players, and to communicate my aspirations for the sector.

It is crucial that the private sector plays an active role in addressing the future energy needs of the country. This will alleviate the funding burden faced by Government, relieve the borrowing requirements of our national utility NamPower, and introduce much-needed competition and innovation to Namibia. We realise that the private sector has a definite role to play, not only for the sake of investments, but also to introduce new expertise and technologies, and, very importantly, to contribute to the Government's development efforts. There are numerous opportunities for the private sector, ranging from conventional electricity supply solutions, to innovative off-grid business models, and investments in embedded and distributed generation, and others.

Ladies and gentlemen, this brings me to the second policy that is currently being developed under the guidance of the Ministry of Mines and Energy, namely the **Renewable Energy**

Policy. Some of you have attended the final stakeholder workshop that took place last week Thursday. It is most evident that we have a number of very passionate renewable energy stakeholders, and I greatly appreciate your inputs and contributions in advancing the debate about renewable energy deployment in Namibia. I hope to be able to further tap into your wealth of knowledge, experience and passion to ensure that we can effectively implement the Renewable Energy Policy in future.

Distinguished invited guest, Ladies and gentlemen, let us now focus our attention on the third pillar of our policy development efforts, namely the **National Energy Policy**, which is the reason why we are meeting today. Allow me to repeat that I am excited about the development of this important policy, and I will tell you why in a little while.

Since 1998, the **White Paper on Energy Policy** has guided Namibia's energy sector as a whole. The sector has witnessed numerous transformations since 1998, and many

of the original aspirations expressed in the White Paper have resulted in tangible progress and have had positive outcomes. At the same time, we recognise that times have changed, and that we need a new aspirational framework to guide our energy sector into the future.

The Ministry of Mines and Energy therefore decided that the White Paper should be comprehensively reviewed, with the aim to learn from the lessons of the past, and then develop a future-oriented **National Energy Policy**. This is what we have set out to achieve.

The policy development process commenced in May 2016, with the appointment of a Namibian consulting team comprising of energy experts from **Emcon, VO Consulting** and **RichAfrica Consultancy**. We recognise the considerable experience that this particular local consulting team has, and I am proud that we have the necessary local capacity to assist in formulating our very own National Energy Policy.

Since the commencement of the project, the review of the White Paper has been completed. A series of focus group meetings was held across the country, during which we have collected a wealth of important stakeholder inputs. Today, the first phase of the policy development process culminates in this national workshop, which will consider the key pillars of the to-be-developed National Energy Policy, and will share with you the first conceptual framework.

It is my wish that today's proceedings will result in constructive stakeholder inputs, and provide the necessary impetus to allow us to embark on the next phase of the policy development process, which is the formulation of individual policy statements.

Without pre-empting today's discussions, I wish to share some of my ambitions for the National Energy Policy with

you: I have already mentioned Namibia's security of supply situation. This is an issue of cardinal importance. We cannot continue to import 100% of the liquid fuels that are consumed in Namibia, and more than 60% of our electricity

requirements. Not only is this a strategic risk, it also perpetuates the export of capital that we could otherwise have used to develop Namibia. So, the security of our energy supplies has to be addressed and the use of local energy resources must be increased.

Ladies and gentlemen, we also have to make a concerted effort to ensure that our people have access to energy. But access to energy is not sufficient. Rather, we have to ensure that access to affordable energy is created, and more specifically, affordable modern energy. This is a challenge that many developing nations are grappling with, and Namibia is no exception.

Allow me to illustrate this point: our national electrification rate stands at around 34%. This implies that some two-thirds of our population still do not enjoy access to a modern form of energy such as electricity. For national development to include every Namibian, we have to increase the number of people who have access to electricity. However, creating

access to electricity is expensive. Every year, Government makes available funds to further electrify rural Namibia. In this way, we have created tens of thousands of new connections since Independence, yet we are far from having brought electricity to every household in the country. This national challenge is another demonstration of where the Government and the private sector can meaningfully collaborate, and in this way, jointly develop the country. Let me re-iterate this point: private sector participation in the country's energy sector is undoubtedly a welcome development, your participation is encouraged!

I wish to also emphasise a few additional aspects with regards to our **National Energy Policy**: our common future depends on how well we achieve in bringing about sustainable socio-economic development, which results in empowerment and the upliftment of all sectors of society. *Our National Energy Policy should guide us in how best we can use our national energy resources to embark on such a common and shared development pathway.*

At the same time, we are cognisant of the need to create national circumstances that ensure that **the country's energy mix is sustainable, and provides secure and affordable access to energy for all.** For this to happen we need to create efficient, regulated and diversified markets that focus on people's needs, while benefitting from our considerable local resource endowments when technically feasible and financially viable.

It is this vision that Namibia's energy sector can and should achieve that is – in my opinion – central to **unlocking our common development future, and create benefits that we and our children can enjoy.**

On a practical note: we recognise that we do not eat energy but profoundly realise that we need energy to be able to eat.

This expresses my personal view on the pivotal role that energy plays in supporting the multitude of national development efforts that the Government is tasked with.

Therefore, the **National Energy Policy** has to pronounce itself

on why we do what we intend to do, what we want to achieve, and how we will be going about it.

Namibia's energy sector can become our national development engine, our locomotive for local value creation. At the same time, we must remain realistic. Such a machinery must first be created before it can be put to effective use. ***We therefore have to understand that it is our job to envision the machinery, and get it to do what we have designed it to do.*** This is a challenge that we are all faced with – we will have to be ambitious, while remaining goal-oriented to get the job done.

Specifically, ladies and gentlemen distinguished invited guest, we have to find ways

- for the more than one-half of all Namibians that remain without access to modern energy to be effectively included in the country's economy;
- how we can wean ourselves off the dependency on fossil fuels and imported electricity;

- how electricity distributors, independent power producers and the national electricity utility can contribute to actively drive national development efforts;
- how we can discover, develop and make use of our own energy resources, including oil and gas resources, as well as Namibia's vast renewable energy resource endowments; and
- how we can best capitalise on our local advantages and strengths to energise national development in all its facets.

Ladies and gentlemen, envisaging the future is not entirely easy. But it is essential if we are to be the masters of our destiny, and actively build the future that we all would have planned for. It is with these remarks that I hope to have given you a motivated vision for why today's gathering is indeed a game-changing event *and why your inputs are so critically*

important. Please join us in shaping our common energy future, for the benefit of all Namibians.

Lastly, allow me to thank the staff of the Energy Directorate in the Ministry of Mines and Energy, the Electricity Control Board, NamPower, NAMCOR and the NEI, as well as the various other Government Ministries, and the Consulting Teams, for their valuable inputs and contributions in the policy development process thus far.

Ladies and gentlemen, distinguished invited guest, captains of industry and everyone present, let me in closing wish you the most fruitful deliberations.

Thank you