

# **MINISTRY OF ENERGY AND POWER DEVELOPMENT**



**PRESENTATION ON “ENERGY : SUSTAINABLE ACCESS FOR ALL”  
DELIVERED AT THE 2006 WORLD CONSUMER RIGHTS DAY , 30 MARCH  
2006.**

**Senior Government Officials here present,**

**Executive Director of Consumer Council of Zimbabwe,**

**Ms R. Siyachitema and all staff of the Consumer Council of Zimbabwe  
here present,**

**Your Worship Mayoress of Harare , Ms S. Makwavarara,**

**Commissioner General of the Zimbabwe Electricity Regulatory  
Commission, Dr. M. Chidzonga and Commissioners of ZERC here  
present,**

**Consumers of electricity from all Sectors of the economy here present**

**Captains of Industry and Commerce here present,**

**Members of the ZESA Board and Senior Management here present,**

**Members of the Rural Electrification Board here present**

**Distinguished Guests,**

**Ladies and Gentlemen.**

**I feel highly honoured to address you today on the very important topic :  
“Energy Supply and Sustainable Development”.**

**Distinguished guests, Ladies and Gentlemen, I am sure most of you, as consumers of electricity, have heard about the looming power shortage in the Southern African region in 2007. Power demand in the region has been growing at a rate of about 3% per year during the last six years but this has not been matched with new investment in power generation projects. The challenge that faces every country in the region is to keep pace with demand patterns by providing new generation capacity. Zimbabwe imports about 35% of national electricity requirements from regional utilities, namely ESKOM of South Africa, SNEL of DRC and HCB of Mozambique. Zimbabwe therefore needs to brace up for the anticipated power deficit.**

**The country has installed capacity of 1890 MW and a dependable capacity of 1700MW. However, the power supply system has not been able to realise the full 1700MW due to frequent breakdowns of generator units at the power stations. The breakdowns at the Power Stations are being caused by inadequate maintenance, which is a result of shortage of foreign currency required to purchase requisite spares and equipment. Foreign currency is also required for major**

**overhauls for some of the generator units. As a consequence, an average of about 1235MW is being generated from local power stations against a maximum demand that ranges from a minimum level of 1835MW to a peak of 2100 MW. The difference is being met by imports, which average 650MW.**

**Government approved the development of capacity expansion projects to enhance security of supply of electricity in the country. For this purpose, Government adopted the policy of self-sufficiency in electricity generation, which will be accomplished through the development of new power generation projects.**

**Government is also undertaking reforms in the electricity industry. The enabling legislation, the Electricity Act (Chapter 13 : 19) was enacted in 2002. The Act provides for entry of independent power producers (IPPs) in power generation. IPPs will enhance local power generation and help us to reduce power imports.**

**In line with the policy of attaining self-sufficiency in electricity, Government is working with ZESA to implement two capacity expansion projects namely ; Hwange 7& 8 (2 Units of 300MW each) and Kariba 7 & 8 (2 Units of 150MW each). This will give an additional 900MW, which is adequate to replace power imports from the region.**

**Due to the long lead time required between commencement of construction work of the additional units and commissioning, it is prudent that we pursue the extension of current power supply contracts**

**with regional suppliers. The Ministry and ZESA are working tirelessly to secure firm power supplies beyond 2007.**

**In the long-term, the Ministry plans to engage private power developers for development of greenfield power generation projects, and the proposed Gokwe North Thermal Power Station with a capacity of 1400MW, is one such an example.**

**To ensure reliability of supply, the Ministry would be working with the Reserve Bank of Zimbabwe to enable ZESA to access foreign currency required for the purchase of spares for refurbishment of the transmission and distribution systems.**

**As we speak, the Zimbabwe Electricity Distribution Company (ZEDC) has benefited from the “Look East” Policy stance that has been taken by Government. In February 2006, ZEDC received line hardware and accessories for the refurbishment of the urban distribution network in Harare. More material will be received for country-wide refurbishment of the urban distribution network. All this is aimed at improving the quality of service.**

**The Government realises the need to subsidise low-income domestic customers. To this end, the Government adopted a policy where the first 250 units of electricity consumed per month are charged a “lifeline tariff”, which is way below what it costs ZEDC to supply electricity to the customer. This will ensure affordability of electricity to domestic customers.**

**In a bid to provide electricity to the rural populace, the Government set up the Rural Electrification Agency (REA). REA provides 100% capital subsidies for the electrification of rural schools, health centres, hospitals, business centres and A1 resettlement schemes. REA also has a financing scheme for community-initiated projects, which has a 60% capital subsidy. These subsidies are meant to assist rural communities to have access to electricity. In order to promote productive use of electricity REA, with the support of the Ministry is embarking on the electricity end-use infrastructure development programme that will provide financing facilities for electricity end-use equipment to enable rural communities to acquire irrigation pumps and pipes, food processing machines, metal and woodworking machines, sawmills, baking ovens and sewing machines. This will economically and socially empower rural communities thus promoting rural development.**

**The Ministry also realises that a lot of power can be saved if consumers are educated on energy efficiency measures, which can be implemented to reduce power consumption.**

**Savings of about 20% of current electricity consumption can be realised if consumers implement energy saving measures. Sustainable development in the energy sector can only be achieved through efficient use of energy resources.**

**The Ministry is carrying out a number of programmes to promote and facilitate sustainable development in the energy sector through**

**efficient use of energy resources and increased use of new and renewable sources of energy.**

**Energy efficiency plays an important role in achieving global sustainable development. It slows down the growth in energy consumption, saves consumers money, reduces capital expenditure on energy infrastructure, reduces local environmental impacts such as water and air pollution caused by burning of fossil fuels, and mitigates greenhouse gas emissions.**

**Through awareness campaigns at shows and in the print and electronic media, the Ministry is educating the nation on the need to use energy efficiently. Consumers of energy must also play a role in conserving energy through low cost measures such as turning off switches where electricity is not needed , guarding against all types of leakages ( such as fuel, water, steam, air, etc), insulation of hot water pipes and steam pipes and using the most appropriate type of energy source and appliances.**

**The Ministry is also engaged in developing energy efficiency pilot projects in partnership with organizations willing to participate in the programme.**

**The rise in demand and the high cost of conventional fuels calls for investment in renewable energy. Where it is feasible the Ministry encourages fuel switching, for example firewood to biogas or solar energy.**

**The Ministry promotes the use of solar energy , biogas digesters and efficient woodstoves in rural communities, schools and clinics. These technologies reduce the burden of firewood gathering and also reduce cutting down of trees for firewood.**

**The Ministry is facilitating the growing of Jatropha plants and production of bio-diesel from the Jatropha seeds. The Ministry also aims to reintroduce the blending of petrol with ethanol. It is planned that by the end of the next five years bio-fuels should substitute 20% of imported petroleum fuels. The bio-fuels project is a way of partially circumventing the need for foreign currency for the procurement of fuel. It is also linked to the need for cleaner fuels, as bio-diesel is more environmentally friendly than the diesel that we currently use.**

**To augment energy supply from electrical energy, the Ministry is involved in promoting the development of mini-hydro power stations. Potential small-scale hydro-power stations sites have been identified. Investors have shown some interest in building the mini-hydro power stations.**

**The main benefits that can be derived from energy efficiency and the use of renewables are ;**

- ◆ Employment creation,**
- ◆ Promotion of development in the rural and urban centers,**
- ◆ Reduction of deforestation the environment,**
- ◆ Saving on capital on energy infrastructure development,**

- ◆ **Saving on foreign currency, and,**
- ◆ **Reduction in the burden of fire-wood collection by women and children.**

**As you all know, the country has been faced with fuel shortages for more than three years now. The shortages have been caused by the foreign currency constraints that the country faces. Zimbabwe has no petroleum resources , hence imports all the fuel that the country requires.**

**In an effort to alleviate the problem of fuel shortages, the Ministry has put in place a number pf measures to improve the situation. The first was to deregulate the importation of fuel. In the past, NOCZIM was legally the sole importer of fuel. The deregulation allowed other players to also participate in the importation of fuel, rather than wait for NOCZIM to provide them with the product. The aim of this policy shift is to benefit from the resources of the other oil companies.**

**Linked to this is the Direct Fuel Imports (DFI) Scheme that the Ministry has put in place. Through this scheme, individuals and companies with own free funds are allowed to use such resources to source fuel, either for their own use. A number of companies and individuals have obtained DFI licences and have gone ahead to procure significant volumes of fuel.**

**It will take some time before the country receives normal supplies of fuel and it is important to manage the fuel available, so that the economy continues to operate at highest possible optimum.**

**In conclusion, Distinguished Guests, Ladies and Gentlemen, be assured that the Government through the Ministry of Energy and Power Development is working tirelessly to ensure that the country has enough energy resources, despite the economic challenges that we are facing. Energy is very important, as it is a prerequisite for economic and social development.**

**I THANK YOU**