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SPEECH BY THE EXECUTIVE MAYOR OF CAPE TOWN, ALDERMAN DAN PLATO WORLD ECONOMIC FORUM- ENERGY POVERTY ACTION. TUESDAY, 09 JUNE AT 11:55 WESTIN GRAND HOTEL

Good afternoon ladies and gentlemen.

On behalf of the City of Cape Town I would like to extend my warmest welcome to you all, it is a rare and special privilege for us as a City to play host to such an auspicious event such as this and we are truly honoured.

More especially that we are gathered here today to discuss Energy Poverty Action which is essentially poverty alleviation, an issue that is pertinent to Cape Town and Africa as a whole.

The City's Economic Development Strategy guides the implementation of its shared growth and development focus area built on a solid foundation of infrastructure led growth. The City recognises that competitiveness, innovation and entrepreneurship are key to the City's economic development plans. Although we face a number of economic development challenges, which are similar to those experienced in other cities in Africa, South Africa and internationally. It is the way in which these challenges including poverty reduction are addressed which is critical. For example, a large element of Small, Medium and Micro Enterprises development and corporate social investment is focused on sustainable community upliftment programmes which cut across City Directorates from human settlements and grant funding to community organisations.

Regarding the City's development of our suburban areas I would like to use Khayelitsha, recognised as one of the most impoverished areas in the country, as a case study to showcase what has been done.

As a City we realise that a commitment to infrastructure development in areas of high instances of crime can alleviate violence. It is with that in mind that we created the Violence Prevention through Urban Upgrading Programme which aims to improve safety in communities through interventions in the public environment. This R120 million project is a partnership between the City of Cape Town and the German Development Bank and will run over five years.

With the aim of creating four safe areas in Khayelitsha, this programme is based on community participation. It offers the platform for residents to get involved in shaping their own suburb to suit their needs and lifestyle.

This partnership is based on the co-operation of 50 000 residents in each of these four areas. This translates into a total of 200 000 residents or a third of Khayelitsha's total population of 600 000.

With regards to providing electricity to people living in Khayelitsha, some 130 000 people are accommodated in informal settlements, many of whom do not have access to electricity. This is largely due to a former policy of Eskom, not to provide electricity to settlements that do not have any degree of permanency. These non-electrified settlement areas are primarily in the Eskom licensed area of supply.

The City of Cape Town has earmarked almost R900 million to upgrade the City's electricity network in the coming financial year.

I am advised that in 2007 a policy amendment was passed in which it was stated that there are informal settlements that can be considered as permanent establishments. Eskom has, as a result, begun to plan to provide for electricity in Khayelitsha. They have five projects for this year for electricity infrastructure which amounts to R76 million for the Khayelitsha and the Blue Downs areas. Once these are completed, Eskom will have more capacity to deal with the electrification issues. They have agreed that they will try to get more projects for implementation. Project coordinators on both sides are ensuring that processes are in place, so that they can motivate for more funding. 3000 connections are planned and a further 14 000 connections are being prepared. Eskom has already set up a Khayelitsha response team, and will endeavour to keep one year ahead with its planning.

The City of Cape Town is taking its own innovative steps to electrify Khayelitsha through the introduction of the Kuyasa Low Income Urban Housing Energy Upgrade project. The successful implementation of this project is a viable model for the use of international financing to leverage grant funding for energy upgrades to low income housing throughout South Africa. An important part of why it works is its links to the reduction of greenhouse gas emissions under the Clean Development Mechanism (CDM) of the Kyoto Protocol, and it is also able to make a meaningful contribution toward poverty alleviation.

The registered CDM project activity aims to install solar water heaters, insulated ceilings and two compact fluorescent light bulbs in approximately 2300 existing RDP houses in Kuyasa. This will provide hot water on demand, improve the thermal efficiency of the household units and ensure energy efficient lighting. The project is currently being implemented and about half of the 2300 houses are complete. The rest will be complete by the end of this year.

A world first in this project is that the CDM project credits the Green House Gas reductions against a baseline that is equivalent to the amount of energy these houses would normally be using rather than their actual level of energy use – thus linking climate change to poverty alleviation.

We are currently carrying out monitoring on the implemented houses and are setting up systems to start trading the carbon emission reduction credits which the project is delivering, these credits belong to the City and will realise about R1 m per annum on over a 21 year period at current carbon prices.

In conclusion, the City of Cape Town is committed to poverty alleviation and we are taking the initiative and the necessary steps to make a real difference in the suburban areas of our community.

I hope that you all enjoy your stay in our city and have a dynamic and interesting conference and that we see the fruits of it outworking on our continent.

Thank you.

END

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