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LAND REFORM

The Green Revolution – Africa’s time is now

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Green Revolution

With over **6000 thousand delegates** having descended at the **CTICC in Cape Town** for the annual Investing in Africa Mining Indaba 2023, which delegates include 3 African Heads of State, 1 Prime Minister and 39 Ministers, this year’s gathering is arguably the most highly anticipated, for a myriad of reasons, chief amongst those being the energy crisis facing the globe due to the Russia/Ukraine conflict, exacerbated locally, by South Africa’s incessant rolling power cuts and loadshedding.

It is reported that in excess of 200 days in a 365 cycle, were characterised by loadshedding in 2022. The energy crisis in South Africa is axiomatically, its Achilles heel in its continuous quest to attract investment. As expected, decarbonisation and the shift towards just energy transition, are set to dominate the essence of the discussions and panels in and outside of the conference.

The **2023 Mining Indaba** occurs in a timely moment not only for South Africa, but for the African continent as a whole. Policy certainty, and focused impetus is anticipated into the how’s and when’s, nuts and bolts, set to enable and to achieve the notion of just energy transition. The availability, consistency and cost of energy generation remain key considerations in the imploding green revolution globally.

What is South Africa’s position?

South Africa’s just energy transition investment plan for the initial period of 2023 to 2027 gives effect to the just energy partnership forged at the United Nations Framework Convention on Climate Change (COP26). South Africa’s response included the formation of the Presidential Climate Task Team in February 2022, in the midst of commitments made by the International Partners Group’s to mobilise an initial US$8.5 billion to assist South Africa gradually towards low emission and to accelerate the just transition and the decarbonisation of the electricity system, and to unlock opportunities in the green economy.

In 2022, the Electricity Regulation Bill was published for comment, with the aim of establishing an independent transmission company. This Bill supports the restricting of Eskom and the establishment of an independent transmission system operator, ultimately allowing multiple generators to sell electricity.

In October 2020, the Regulations on New Generation Capacity were amended in order to allow municipalities to procure electricity independently.

In 2021, the amendment to Schedule 2 of the Electricity Regulation Act raised the threshold for electricity generation projects that do not require a licence from 1 MW to 100 MW, and ultimately the 100MW limit was removed in mid 2022.

In October 2021 and April 2002, the preferred bidders for Bid Window 5 and 6 of the Renewable Energy Independent Power Producers Programme were announced in solar, wind and solar PV projects.

Even though the aforementioned measures are steps in the right direction, the energy crisis requires a more robust and focused approach geared towards removing all legislative barriers and licensing thresholds in electricity generation, and the increment of wind and solar power for additional generation capacity.

Why Africa should be a dominant voice and a key player?

Africa has the largest mineral reserves in the world, which include South Africa, Madagascar, Malawi, Kenya, Namibia, Kenya, Mozambique, Tanzania, Zambia and Burundi, with significant quantities of neodymium, praseodymium and dysprosium. With the Steenkampskraal mine in the Western Cape having the highest grade of rare earth minerals, South Africa holds the promise to become a leading supplier in the international market.

Cobalt, copper, lithium, nickel and rare earth elements are critical for the production of electric vehicles and batteries and to harness solar and wind energy, in the quest to minimise reliance on fossil fuels.

The continent of Africa is strategically placed and positioned to lead the green revolution. This era presents new opportunities for African governments to exercise agency, to breath new and to elevate Africa's voice and contribution to the green revolution.

Leave no communities behind

In the context of South Africa, it is in the former TBVC states that the highest potential for green energy lies. Provinces such as Limpopo, the Eastern Cape, and Mpumalanga are dominated by communal land, often with no secure and registrable land rights, and sometimes land which is administered by traditional leaders. The insecurity of land tenure in communal areas, and the backlog in the administration of existing land claims which are yet to be settled, pose complex challenges in the renewable energy space.

What this means is that investors face hurdles in securing either long leases or purchasing land that is required for solar and wind energy. Legislative reforms have become even more urgent, which include the introduction and finalisation of a Redistribution Bill, that will provide legislative clarity and certainty for investors and communities. The fortuitous nature of land required for renewable projects, currently in use by communities, must forge a renewed community-centric and a just economy with communities as equal stakeholders.

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