



Status of Energy Security in Eswatini

UNCT Bimonthly Strategic and Policy

Issues: Series #1

Hosted by: **UNDP**



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On September 26, 2023, the United Nations Country Team (UNCT) held a bimonthly strategic and policy issues dialogue the status of its Energy Security in the country Kingdom of Eswatini. The dialogue, held at the UN House in Mbabane, focused on the challenges and opportunities facing Eswatini in its efforts to achieve reliable and sustainable electricity supply. The inaugural dialogue was hosted and led by UNDP.

The dialogue highlighted the following key findings:

- Eswatini has a low domestic generation capacity of 76.5 Megawatts (MW) against a maximum and growing demand of 233 MW. This makes Eswatini an electricity deficient country, with demand outstripping supply by a wide margin.
- The Government of Eswatini has embarked on a process of increasing domestic power generation and is developing its rich tapestry of conventional and renewable energy resources through several hydroelectric, biomass and solar PV installations projects by both the public and private sector. It is anticipated that the efforts will lead to an additional generation of around 123 MW by the public sector and double that by the private sector who are already generating about 131 MW.
- Eswatini currently imports 70-80% of its electricity from South Africa and Mozambique, primarily through a bilateral agreement with South Africa, which is set to expire around 2025. This expiration comes at a challenging time, with South Africa grappling with severe power supply deficits, resulting in unprecedented load shedding.
- More concerted efforts at both policy level in terms of promoting investments in the renewable energy sector, energy efficiency and financing for development of green field systems should see Eswatini become self-sufficient in electricity and able to reduce its electricity imports drastically by 2030.

The dialogue also discussed the topic of carbon markets, which is a mechanism for reducing greenhouse gas emissions by allowing companies and Governments to trade carbon credits. Carbon credits are tradable permits that represent one metric ton of carbon dioxide equivalent (CO₂e) reduced or removed from the atmosphere. Eswatini has not yet participated in carbon markets, but there is an increasing demand by the international private sector companies, exchange operators and Governments to enter into agreements with Eswatini to trade in Carbon Credits.

Carbon markets can play an important role in helping Eswatini achieve its energy security and sustainable development goals. By participating in carbon markets, Eswatini can generate revenue from the sale of carbon credits, which can be used to invest in further development of the renewable energy sector. Additionally, participation in carbon markets can help Eswatini to reduce its greenhouse gas emissions and contribute to the global effort to combat climate change.

However, it is important to note that carbon markets are complex and there are a number of challenges that Eswatini will need to address in order to participate effectively. For example, Eswatini will need to develop a robust carbon accounting system and establish a clear regulatory framework for carbon trading. The UN system and other development partners can play an important role in supporting Eswatini to overcome these challenges and participate effectively in carbon markets.

The dialogue concluded by acknowledging the need for the UN system and others to support the Government of Eswatini undertake the readiness process that will provide the necessary preparedness for Eswatini's more responsible and sustainable participation in carbon markets.

The following recommendations were made to the Government of Eswatini and the UN system:

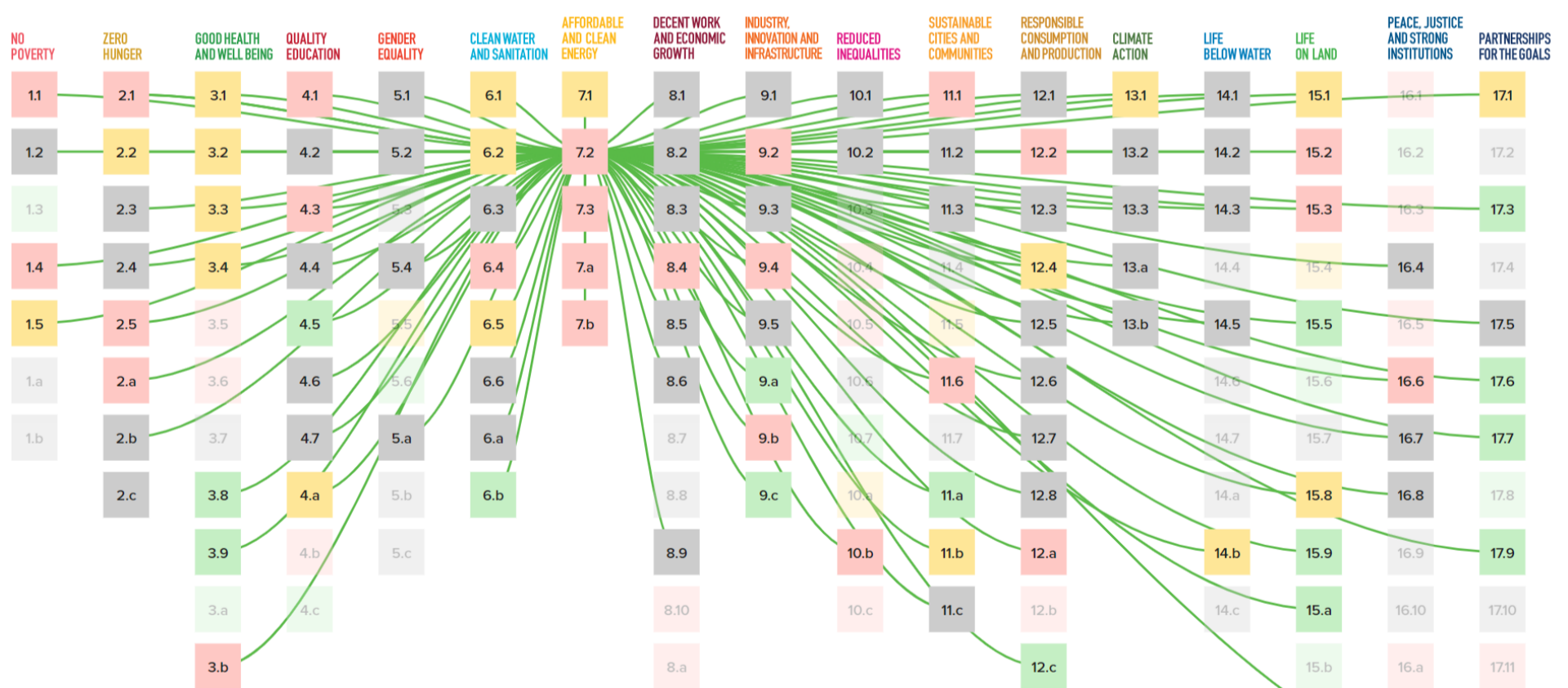
Government of Eswatini:

- Accelerate the development of domestic power generation capacity, with a focus on renewable energy sources.
- Promote investments in the renewable energy sector, energy efficiency and financing for development of green field systems.
- Undertake readiness process to participate in carbon trading.

UN system:

- Support the Government of Eswatini in its efforts to achieve energy security and reduce its electricity imports.
- Assist the Government of Eswatini in its readiness process to participate in carbon trading.

The above recommendations contribute to SDG 7.2 with the following Synergies:



Source- <https://data.undp.org/sdg-push-diagnostic/SWZ>

The successful implementation of the recommendations above will have a significant impact on Eswatini's energy security and sustainable development across all sectors. Eswatini will be able to reduce its reliance on imported electricity, which will save the country money and make it more resilient to power outages in neighboring countries. Additionally, Eswatini will be able to generate revenue from the sale of carbon credits, which can be used to invest in further development of the renewable energy sector.



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