

FEMA Workshop on Mobilizing Investments for African Power Infrastructure

Maputo, 9-10 October 2008

Keynote address Royal Norwegian Embassy in Maputo

Your Excellencies, Ladies and Gentlemen,

It is a great pleasure for me to represent Norway in this workshop which addresses a very important issue for the development of the whole African continent, and this region in particular.

You will probably know that Norway has the highest electricity consumption per capita in the world, thanks to our abundant hydropower resources, and more than 100 years of extensive power infrastructure development. In addition large oil and gas resources have been located and exploited over the last decades, making Norway a real energy nation, and the world's third largest exporter of gas.

On the other hand, living close to the environmentally vulnerable Arctic Region, we have also become dramatically aware of the threatening effects of excessive energy production and consumption.

On this background the current Norwegian Government has highlighted clean energy as one of four priority areas for Norwegian development cooperation.

Excellencies, Ladies and Gentlemen,

It is of particular pleasure for me to address you here in Maputo, as it gives me the opportunity to tell you that we now can celebrate 31 years of cooperation with Mozambique. Where energy, and power infrastructure in particular, has been one of the biggest sectors for cooperation.

However, our engagement in energy has not been limited to Mozambique. Norway has been a strong sponsor of regional development, and has supported several energy projects and initiatives in this region – through SADC as the regional coordinating body, as well as to the individual member states. The most recent example is a 100 million US dollar pledge to a Trust Fund designated for transmission projects with regional impact,

primarily aimed at a transmission backbone through Mozambique and the Mozambique – Malawi interconnection.

We are therefore proud of having been entrusted the role as the lead for the international cooperating partners (ICPs) in energy. This gives Norway an opportunity to actively contribute to the compliance of the Paris Declaration, working for increased alignment, harmonisation and streamlining of operational modalities for delivery of development assistance to SADC.

Excellencies, Ladies and Gentlemen,

We realize that many African countries are facing a serious and challenging power supply situation – the prevailing power deficit in Southern Africa fully illustrates this. However, we are struck by the paradox that despite the fact that

- energy resources in the region are abundant,
- necessary and economically viable projects are identified and well documented,
- investment capital is available, according to financing institutions,

still projects fail to attract funding and be implemented.

We also recognize that the main objective of this workshop indeed is to meet this challenge, and help accommodating the implementation of vital power infrastructure projects. And as cooperating partners we will contribute to this through support to power system studies and project identification, as well as project packaging and promotion.

However, joint donor coordination efforts have limited effect unless local and regional authorities are willing and able to provide adequate enabling conditions. We therefore strongly advocate that even more efforts are made in order to

- develop adequate energy regulation mechanisms;
- adopt cost-reflective electricity tariffs;
- and secure a sound business climate based on transparency, clean competition and clear ownership

I trust this workshop will constitute a valuable opportunity to meet these challenges, and come up with appropriate and needed measures.

I wish you good luck!

Thank you for your attention!

