



REPÚBLICA DE MOÇAMBIQUE
MINISTÉRIO DA ENERGIA

**WORKSHOP ON MOBILIZING INVESTMENTS FOR
AFRICAN POWER INFRASTRUTURE**

Opening Statement

By:

Honorable Dr. Salvador NAMBURETE

**Minister of Energy of the Republic of Mozambique and
Chairman of Forum of Energy Ministers in Africa (FEMA)**

Maputo, 9th October 2008

Honorable African Ministers responsible for the Energy Sector,
Excellencies;

Honorable Members of the Government of the Republic of
Mozambique, Excellencies;

Distinguished Representatives of Country Members of FEMA
Ministerial Sub-committee;

Distinguished Members of Diplomatic Corp, Excellencies;

Distinguished Members of FEMA Management Committee;

Distinguished Guests,
Ladies and Gentlemen,

It is an honor and motive for great satisfaction to address you in
the course of the Workshop on Mobilization of Investments for
Power Infrastructure in Africa.

On behalf of the Government of Mozambique, of the Forum of
Energy Ministers of Africa and on my own behalf, I convey my
warmest greetings and welcome to the audience and, specially, to
foreign delegates from various countries.

It is for us motive of proud, honor, satisfaction and responsibility to
welcome you in Maputo, capital of Mozambique, city of Acacia
trees, capital of Mozambique, to participate in this important event,
with the expectation that it should bring about greater interest for
the development of power infrastructures in Africa.

We would like to convey our appreciation for the presence of our
development partners who substantially contribute to stimulate

initiatives and development programs in the Energy Sector in Africa.

We hope you find, during your stay among us, space to enjoy the beauty of our Capital City, of sympathy and hospitality of Mozambican people and our famous gastronomy.

Ladies and Gentlemen,

We are pleased to note the dedication of the Steering Committee who, with their diligence has managed to ensure sound functioning of FEMA within the framework of pursuing its objectives.

We would like, in this instance, to underscore in a particular way the valuable contribution of our colleague and friend, Dra Njeri Wamukonya, of Kenyan nationality and former member of staff of United Nations Environment Program (UNEP), with whom unfortunately we can no longer relate, for she has lost life, victim of illness, in past July.

With the assurance that her soul rests in Peace and that her family and friends find in God strength to sustain the pain of her loss, I therefore, request, in her memory, one minute of silence.

Distinguished Participants,

Ladies and Gentlemen,

The Maputo Declaration, produced in the FEMA II Conference on Security and Sustainability of Energy in Africa, which took place in Maputo in March 2007, set forth among others, the need for

increasing the allocation of public resources of African countries for investment in the area of energy as well as engage in dialogue with Ministers responsible for the environment sector, on the need to better use the opportunities of carbon financing instruments for the development of energy sector in the Continent.

Through Maputo Declaration, the African Ministers responsible for the energy area expressed, as well, their commitment in adopting sector-wide programs that improve coordination and planning of financial flows, with the aim to increase the access level of modern sources of energy in Africa.

Ladies and Gentlemen,

This Seminar aims to discuss aspects that increase the flow of investments for the development of energy infrastructures in Africa.

It is our expectation that out of it a greater interest of various participants is raised, namely of our development partners, financing agencies and private sector, in particular in the expansion of power infrastructures in our countries and within the context of regional projects.

The current situation of power shortage in the continent and in particular in Southern African Region constitutes a basis for greater joining of efforts and to raise in all of us the sense of urgency in the search of solutions.

It is precisely the speedy growth of energy demand which results from socio economic development of our countries without due follow up in terms of investment flow in the last two decades, the main cause of the current crisis, affecting essentially energy supply

security. In this sense, some of major challenges that we face, include:

First, the insufficient generation capacity to meet growing demand;

Second, the very low level of access to electricity for income generation activities, basic services and domestic use, which imposes difficulties in the productive use of energy as a factor in the struggle against poverty.

Third, despite abundant energy resources, the majority of population in African countries depend on low quality energy sources. According to the World Bank Africa needs more than 20 billion of USD, per year, to face major challenges of energy sector, and, even with this level of annual investment, between 1.4 and 1.6 million of people would remain without access to electricity in the Continent.

During this Seminar we shall have an opportunity to be introduced to various investment projects of generation and transmission of electricity in Africa, through presentations, illustrating the ongoing efforts concerning their structuring and implementation.

We would like to highlight the fact that these projects represent opportunities for financing and direct investment.

In the case of Mozambique various projects are in their development phase involving public and private investors, for example:

- a. Mphanda Nkuwa Hydropower Project;
- b. Coal Power Station Projects of Moatize;

c. Natural Gas Power Station Project;

d. Transmission line Project Tete-Maputo, which constitutes the back bone of National Transmission System and that will enable the supply of electricity produced in Zambezi Valley to major distribution centres in the Country and in the region.

It is worth noting that leading investors and their partners have been identified, economic feasibility studies and respective financial models have been completed, and finance mobilization is in progress.

We note with satisfaction successful experiences in the financial restructuring of power infrastructure projects in various countries in Africa, which can serve as an encouraging factor for investment attraction in future projects.

It is an example of this, in the case of Mozambique, the reversion process of Cahora Bassa Hydropower Scheme to Mozambique. This achievements results from efforts of the Government of Mozambique in the setting up of an enabling environment, namely the political and macro-economic stability, consolidation and adjustment of institutional and legal frameworks.

Ladies and Gentlemen,

We take note with satisfaction, that, following the Maputo Declaration, FEMA has had the opportunity to participate in the Conference for Ministers of Finance in Ghana, in Accra, in 2007, dedicated to the energy sector in Africa, which enabled the consolidation of coordination among the leaders of the energy and

of finance areas with regard to development challenges of the energy sector.

We Salute this initiative of the African Ministers responsible for Finance in expanding the dialogue on the challenges of the energy sector development, as an important contributing factor for the fight against poverty and economic development.

We would like to express our great satisfaction relatively to the position expressed by our development partners in Accra Conference, through which they reiterated their willingness to maintain the support in the development of energy infrastructures at African Continent level.

Ladies and Gentlemen,

Cooperation and energy transactions at regional level, constitute crucial factor in: i) enabling coordination in the planning and implementation of power infrastructure projects ii) increasing of energy security and stability iii) sharing and rationalization of available resources; iv) improving systems reliability; v) increasing of efficiency and sustainability in the use of infrastructures; vi) ensuring economies of scale and improving project attractiveness and feasibility.

Acknowledging the vital role of regional integration of power systems, it is encouraging to note the growing commitment of African Government to adopt strategies, structuring and consolidation of Power Pools in the Continent, namely, the Southern African Power Pool (SAPP), the Eastern African Power Pool (EAPP), the Central African Power Pool (CAPP), the Western

African Power Pool (WAPP), and the Northern African Power Pool (NAPP).

In the case of Southern Africa we stress the development already achieved by SAPP and the experience recorded in cooperation and in the commercial power exchanges among members, which translates the commitment of our Governments in carrying out joint actions, contributing for the process of regional economic integration.

It is worth noting that the implementation of regional projects and planning and management of electricity demand, in a way that ensures harmonization of legal frameworks, of technical standards, will require investments and other incentives, where the role of regulators of electricity markets are particularly relevant.

Ladies and Gentlemen,

In the next two days we shall have wider opportunities for sharing of knowledge and experiences on how to maintain the necessary financial flows for investments in power generation and transmission projects in Africa as well as starting to draw a vision and identify desirable features for a strong, attractive and competitive power infrastructure sector.

To conclude, it is encouraging to note the continuing support development partners of energy sector in Africa, and I would like to afford myself of this opportunity to express our gratitude for this support, in particular to the World Bank, not only for its great involvement in the sector, as well as for the important support to FEMA and to the Government of Mozambique for the realization of this Workshop.

I would like also to afford myself of this occasion to reiterate our appreciation to the Government of the Kingdom of Norway for its continued valuable contribution to the energy sector in Mozambique including in the setting up of FEMA Secretariat in Maputo, in support of FEMA presidency by Mozambique.

With these words, it is now my honour to declare the Event opened wishing to all participants fruitful discussions,

Thank you very much for your attention.