



INVESTORS
CONFERENCE | MAR
Batoka Gorge Hydro-Electric Scheme **30**
2017

**STATEMENT BY HON. PATRICK A.
CHINAMASA (M. P.)**

**MINISTER OF FINANCE & ECONOMIC
DEVELOPMENT**

At The

**BATOKA GORGE HYDRO-ELECTRIC
SCHEME INVESTMENT CONFERENCE**

**David Livingstone Safari Lodge, Livingstone,
Zambia**

30 March 2017

Her Honour, the Vice President of the Republic of Zambia, **Mrs Inonge M. Wina, MP**

Minister of Energy, Zambia & Zambezi River Authority Council of Ministers
Chairperson- **Hon. David Mabumba, MP**

Minister of Energy – Zimbabwe & Zambezi River Authority Council of
Ministers Co-Chairperson **Hon. Felix C. Mutati, MP**

Minister of Energy and Power Development, Zimbabwe & Zambezi River
Authority Council of Ministers Co-Chairperson **Hon. Samuel Undenge, MP**

Minister of Water Development, Sanitation and Environmental Protection,
Zambia **Hon. Lloyd M. Kaziya, MP**

Minister of Environment, Water and Climate, Zimbabwe, **Hon. Oppah
Muchinguri- Kashiri MP**

Minister of Commerce, Trade and Industry, Zambia- **Hon. Margaret
Mwanakatwe, MP**

Provincial Minister for Southern Province in Zambia; **Hon. Edify
Hamukale, MP.**

Vice President – Power, Energy, Climate and Green Growth: African
Development Bank – **Mr. Amadou Hott**

Members of Parliament Present from Zambia and Zimbabwe;

Ambassadors and High Commissioners here present;

The Chair of the Zambezi River Authority Board and Permanent Secretary for the Ministry of Energy, Zambia - **Brigadier General Emelda Chola (Rtd)**

Permanent Secretaries from Zambia and Zimbabwe;

Representatives of ZESCO and ZPC

Chief Executive - Zambezi River Authority **Eng. Munyaradzi Munodawafa**

Senior Government Officials from Zambia and Zimbabwe here present,

Distinguished Guests,

Ladies and Gentlemen,

All protocols observed

1. It is a pleasure to welcome you all to this very important milestone in the development of the Batoka Gorge Hydro-Electric Scheme, a project that will have a profound impact on the two countries of Zambia and Zimbabwe, as well as the SADC region at large.
2. It is, indeed, a remarkable journey for the Zambezi River Authority, a journey that started way back in 1904, when the project was first mooted, to 1972 when serious investigations were undertaken to embark on the project and to this very day when the Authority is now showcasing the project to financiers, investors, contractors and other stakeholders.
3. Today, the two sister Republics have taken a significant step towards the industrialisation of our economies and, consequently, towards sustained economic growth.
4. The key driver of growth in any economy or development of any society is the sustainable provision of adequate electricity. Currently, demand outstrips supply in Zambia, Zimbabwe and indeed, the whole SADC region. This means that socio-economic development cannot take place at a rate that meets stakeholder expectations.

5. Furthermore, there are large portions of our Communities that fail to access electricity, thus putting pressure on the environment as they search for alternative energy sources. The result is deforestation, a scourge that the SADC region is battling with, as it contributes to deforestation, land degradation, global warming and climate change.
6. Indeed, whether under SADC or the African Union's '***Africa Development Agenda***', the challenge towards enhancing and accelerating economic integration remains that of inadequate infrastructure, such as rail, road, ICT, power, with power being at the very top, given the core-relationship between power and economic growth. Provision of power is also central to the African Development Bank's High Fives, one of whose strategic objectives is *Powering Africa*.
7. Energy infrastructure development in general is about people, improving opportunities for them to engage in productive activities, as well as sustaining economic growth and development for our countries.
8. It is for this reason that the two Contracting States have placed energy as priority number one in their development agenda, requiring immediate intervention and other support measures.

9. Increasing energy generation capacity is, therefore, not a matter of political preference; it makes pure economic sense as shortage of electricity undermines efforts to achieve more rapid economic development for both our countries.
10. I am aware that to attract private capital for our public infrastructure projects, particularly energy projects with high upfront costs, we need to address and overcome a number of perceived risks, including regulatory, financial, legal and other such barriers.
11. Furthermore, a project of this magnitude requires much preparation for the market; so as to provide clarity for easier investor assessments of project risks.
12. This is also benefiting from reform programmes focusing on attracting capital, particularly from private investors into the energy sector that our two countries have been implementing.
13. The reforms, targeted at ensuring availability of electricity, critical for growth in a manner that is affordable and with the objective of ensuring that uninterrupted supply of electricity becomes the expectation, rather than the exception.
14. The project we are presenting today allows us to come closer to this objective, as it will improve on reliability of electricity

supply. The project also brings with it a lower cost of electricity that is critical for competitiveness of our products in the global market as well as increase efficiency in the way we manage the operations of Kariba Dam.

15. Furthermore, the project will go a long way in transforming our two Nations' economic fortunes.

16. Power remains an important driver of development. **Without sufficient power, there is limited development to talk about!** There are, therefore, significant benefits to our economies namely – opportunities for creation of new jobs, potential cost reductions, improved capacity utilisation, access to electricity by our people, economic recovery and rising welfare standards among our people.

17. The project will raise the share of a renewable energy source, hydro-electricity, relative to other sources of energy. This will ensure that we comply with environmental requirements to lower levels of carbon emissions.

18. The specific project details will be presented to the Conference by the Zambezi River Authority, in conjunction with our Legal and Financial Transaction Advisors and Consultants, Ernest and Young; covering the following:-

- ✓ Overview of the project
- ✓ Project description and engineering feasibility studies
- ✓ Project commercial structure
- ✓ Environmental and Social Impact Assessment Studies
- ✓ Legal and regulatory framework
- ✓ Project development mode, packaging and procuring process

19. As Zimbabwe, we promulgated on 27 May 2016, the Joint Ventures Act, to provide the legal basis for the procurement of projects and engagement of the private sector in the context of Public Private Partnerships.

20. Administratively, a Joint Ventures Unit has also been established within Treasury to provide the necessary guidance and capacity for the public sector to negotiate and manage the Public Private Partnership procurement process in a transparent and competitive environment, including provision of necessary incentives, in order to ensure successful consummation of the projects.

21. Let me say, at this stage, how much we appreciate the crucial support we have received from the African Development Bank who financed the 1993 feasibility studies for this project, the

World Bank who funded the updating of the studies, and other development partners who assisted us in developing the Batoka Gorge Hydro-Electric Scheme to bankability.

22. I also want to appreciate the close collaboration between the two Contracting States, particularly with regards to harnessing the natural resources that exist on the Zambezi River. We will not have gone this far without such close collaboration and co-operation.

23. This cooperation will ensure that the execution of the Batoka Project will proceed as envisaged and expeditiously.

24. I am looking forward to your interactive deliberations and wish for a successful outcome from this Conference.

25. For the benefit of our citizens, the Batoka Gorge Hydro-Electric Scheme should come to fruition at the shortest possible time.

I Thank You For Your Kind Attention