

**CLOSING REMARKS MADE BY HONOURABLE DR. PONATSHEGO H K
KEDIKILWE PH, MP - MINISTER OF MINERALS, ENERGY AND WATER
RESOURCES OF BOTSWANA - 22ND APRIL 2008 – WEC WORKSHOP ON
FINANCING INGA HYDRO POWER PROJECTS –
LONDON UNITED KINGDOM - 21ST TO 22ND APRIL 2008**

Mr. Chairman, the efforts made by World Energy Council by proposing the establishment of Inga Promotion Committee (IPROCOM) and an envisaged future Inga Holding Company (IHOLCOM) are commendable. Through such initiatives we are able to push the project forward, as time has become of the essence. The WEC's approach also facilitates focusing on the project whilst at the same time enabling easy coordination. Mr. Chairman, as we chart a way into the future it is clear that the catalytic role played by WEC, in pushing the Inga Projects forward, has to continue without a hitch.

I am looking forward to the meeting of SADC Energy Ministers' meeting scheduled for DRC towards the end of the month, as there is a sense of urgency in moving the Inga Projects forward. The DRC/SNEL/BHP Billiton initiatives, the resulting resolutions and the consequential relationship in so far as they affect the implementation of Inga 3 have to be addressed. Westcor has to focus its attention on the development of Inga 3, as per the provisions of the Inter Governmental Memorandum of Understanding signed by the five cooperating Governments.

I have been encouraged by the experiences we have shared with our colleagues from Brazil, Canada and China who have implemented mega projects similar to Grand Inga. Their presentations have reinforced our resolve to forge ahead with the implementation of Inga Projects.

There are six points that I wish to briefly touch on:

1. Hitherto, no mention has been made on the need to ensure that the assets that will be created through the execution of the planned mega projects will be secured. We have to start thinking of security of assets that will be traversing our respective countries as far a field as Egypt, Nigeria and Westcor countries. Any inability to transfer power to the respective load centres in our countries as a result of vandalism will result in serious disruption of the very industries which are at the centre of wealth creation, such as the mines.
2. There is an urgent need to cut down on the inordinate timing of the planning process as much as possible. The current energy shortage is stifling industrialisation and economic growth, against a background of ever increasing commodity prices, with the attendant problems of steep increases in electricity tariffs. In Botswana there are many projects that require electricity for their successful execution these include:-

- a. Development of new mines to mine Copper, Nickel, Coal, Coal Bed Methane Gas, Diamonds;
 - b. Construction of Mmamabula Coal Fired Power station, which will require up to 20MW during construction and about 80MW during the commissioning of the first unit;
 - c. Establishment of a new International University of Science and Technology, construction of four dams, and five Senior Secondary Schools, a medical and Teaching Hospital. Exploration is intense for various minerals including Uranium;
3. The Engineering Procurement and Construction (EPC) Contractors are calling the shots as the supply of power plants has become a seller's market, characterised by ever increasing EPC prices.
 4. Financial Risks – Financial Risks associated with the execution of mega projects have become far in excess of the GDP of the economies of the host countries resulting in a real danger of the economies, of such countries, being mortgaged.
 5. The nexus of DRC/SNEL/BHP Billiton versus Westor has to be seriously addressed. IFSC Botswana's elaborate institution arrangements will come to naught if confusion continues to reign on the development of Inga 3. Our credibility and sense of focus and purpose are at stake.
 6. The involvement of the local communities at Inga cannot be overemphasised. In my own country the involvement of the local community where the Government is constructing a multi million USD Project involved the exhuming and relocating of several graves. The role played by the local community was at the centre of making this possible.

I thank you.