

By Chiwoyu Sinyangwe

EUROPEAN Investment Bank (EIB) director Patrick Walsh has encouraged Zambia to pursue self-reliance as it continued to get aid from donors.

Walsh, who was in the country to facilitate EIB's loaning of US\$30 million (about K150 billion) to fund the upgrade of Zesco's Kafue-Livingstone transmission line, said problems could be solved through partnership.

"We are very keen to work together with our co-financing project. We are very keen to work together with our good colleagues in the European Commission as well as other co-financiers like the World Bank, IFC [International Finance Corporation] and so on because the needs are great in a country like Zambia," Walsh said. "We can't solve all your problems; you have to solve your problems but we feel we can help better if we are working together and I would like to say we are very happy, we are working closely with Zesco."

He said the EIB was keenly interested and very happy

EIB happy with Sata's fight against corruption

that President Michael Sata had highly prioritised the fight against corruption.

Walsh said the PF government's strong anti-graft position had drawn interest of key directors at the European Union's long-term lending institution.

He also expressed happiness that in the PF government, the state power utility, Zesco, had shown strong signs of improving its corporate governance structures.

"There was a period when there was a little cloud over our relationship [with Zesco] but thanks to Mr [Cyprian] Chitundu [Zesco managing director], the situation is going very well," Walsh told finance minister Alexander Chikwanda last Thursday. "We have put in

some technical assistance which is being used to help Zesco in certain aspects of governance. This is a very important signal because when we present the projects to our board of directors in Luxembourg, Brussels, they always ask us 'what is happening' on the question of corruption...anti-corruption, and we are very happy that the new President [Sata] and people like yourself [Chikwanda] have given a top priority to this problem and we will do what we can from our side to help you minister and help Zambia in that."

Walsh said EIB would help the Zambian government fight corruption as well as to make a dent on the country's weak infrastructure.

The Post
18 May 2012

EIB to provide K150bn for Kafue-L/stone power line upgrade

By Chiwoyu Sinyangwe

EUROPEAN Investment Bank (EIB) has agreed to provide US\$30 million (about K150 billion) to fund the upgrade of the Kafue-Livingstone power transmission line.

This project is expected to improve regional energy distribution and double electricity transmission capacity between the Victoria Falls hydro-power station and Lusaka, and is a priority initiative for Zesco.

Upgrading the 341 kilometre Kafue-Livingstone transmission line would significantly enhance electricity transmission through the only major electricity connection in south-western Zambia.

The project would enhance the energy link of regional importance between Zambia and Namibia and enable the possible trading of electricity through the Caprivi interconnector

while the energy improvement scheme will include construction of new substations replacement of energy infrastructure over 50 years old.

"Upgrading of the Kafue-Livingstone transmission line project will provide extra power to the Southern and Western Provinces of Zambia and other countries in the Southern Africa Power Pool," said Zesco managing director Cyprian Chitundu.

And European Investment Bank vice president Plutarchos Sakellaris said access to electricity was essential to achieve the Millennium Development Goals and promote sustainable development.

"Upgrading the Kafue-Livingstone transmission line will assist the Zambian government's efforts to ensure that a reliable supply of energy can keep pace with economic

growth in Zambia and improve electricity distribution across southern Africa," said Sakellaris.

"The European Investment Bank is committed to supporting the Zambian energy sector and contributing to global goals highlighted by the 2012 International Year of Sustainable Energy for All."

The total project cost is estimated at US \$100 million and will be co-financed by the EIB, World Bank and by the project promoter, Zesco.

The funding agreements were signed in Lusaka yesterday between finance minister Alexander Chikwanda and senior officials from the European Investment Bank at a ceremony which was also attended by Eric Beaume, European Union head of cooperation in Zambia.

Govt, EIB ink \$30m power deal

By Times Reporter

THE Zambian Government has signed a US\$30 million finance contract with the European Investment Bank (EIB) for upgrading of the Kafue-Livingstone electricity power transmission line.

The contract which was signed in Lusaka yesterday by Finance and National Planning Minister Alexander Chikwanda and EIB director Patrick Walsh would enable the EIB to provide a loan amount of Euro 22.0 million or approximately \$30.0 million towards the financing of the project.

Mr Chikwanda said the signing occasion would go beyond symbolic significance because electricity was central to the entire development process embracing all sectors of the

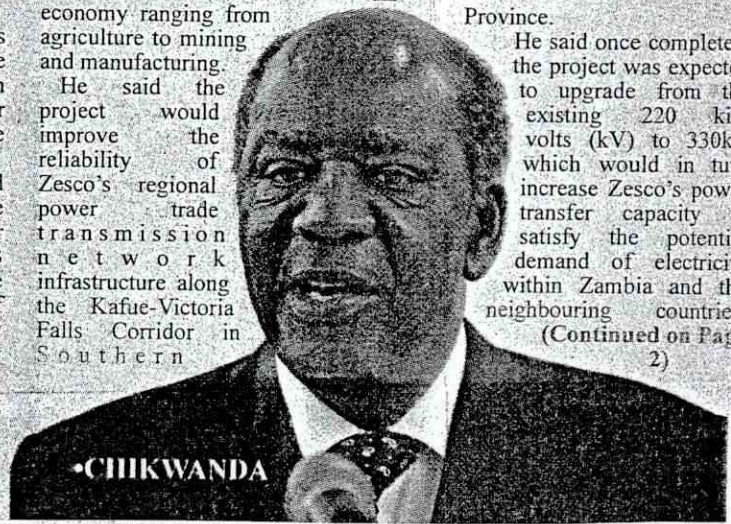
economy ranging from agriculture to mining and manufacturing.

He said the project would improve the reliability of Zesco's regional power trade transmission network infrastructure along the Kafue-Victoria Falls Corridor in Southern

Province.

He said once completed the project was expected to upgrade from the existing 220 kilo volts (kV) to 330kV which would in turn increase Zesco's power transfer capacity to satisfy the potential demand of electricity within Zambia and the neighbouring countries.

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Govt, EIB ink \$30 million power deal

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Mr Chikwanda said the Zambian Government was faced with huge infrastructure needs which required significant financial resources especially in the transport and energy sectors that were strategic to achieving sustained economic growth.

He, however, said the Government was partnering with the private sector through the Public Private Partnership (PPP) arrangement to address the challenge.

He said the Government appreciated the resulting cooperation which he said had high prospects to enhance its benefits from the bank.

EIB vice-president Plutarchos Sakellaris said the project would improve regional energy distribution and double electricity transmission capacity between the Victoria Falls hydro-power station and Lusaka.

Mr Sakellaris said upgrading the Kafue - Livingstone transmission line would assist the Government's efforts in ensuring that a reliable supply of energy could keep pace with economic growth in Zambia and improve electricity distribution across southern Africa.

He said the EIB was committed to supporting the Zambian energy sector and contributing to global goals highlighted by the 2012 International Year of Sustainable Energy for All.

Head of the delegation of the European Union to Zambia and COMESA, Ambassador Gilles Hervio said access to energy was crucial for the development of Zambia.

Mr Hervio said that energy was important for the delivery of health services, education, food security, business activities, and economic development in general.

Zesco managing director Cyprian Chitundu said that the upgrading of the transmission line project would provide extra power to the Southern and Western provinces of Zambia and other countries in the Southern Africa Power Pool.

He said that the energy improvement scheme would include construction of new substations replacement of energy infrastructure over 50 years old.

The project is expected to be completed by the end of 2014 and would create significant technical employment during the upgrade.

The original line was built in the 1970s to allow easy and cost-efficient upgrading when necessary.

The transmission line would be supported by the EU-Africa Infrastructure Trust Fund through a total grant of Euro 5.55 million split in two different components which included a Euro 5.2 million interest rate subsidy and a Technical Assistance Grant of Euro 350,000 to support procurement and monitoring.

The total project cost is estimated at \$100 million and would be co-financed by the EIB, the World Bank and by the project promoter, Zesco.

Times of Zambia
18 May 2012

“...the upgrading of the transmission line project would provide extra power to the Southern and Western provinces of Zambia and other countries in the Southern Africa Power Pool”