

**CAPRIVI LINK PROJECT UPDATE AND
INTRODUCTION OF CONTRACTORS PRESENTED BY
HON. ISAK KATALI, MINISTER OF MINES AND
ENERGY AT THE OCCASION OF THE OFFICIAL
COMMISSIONING OF THE CAPRIVI LINK
INTERCONNECTOR
ON
12 NOVEMBER 2010
KATIMA MULILO**

Your Excellency Hifikepunye Pohamba, President of the Republic of Namibia;

Your Excellency Rupiah Banda, President of the Republic of Zambia;

Your Excellency Seretse Khama Ian Khama, President of the Republic of Botswana;

Your Excellency Robert Gabriel Mugabe, President of the Republic of Zimbabwe;

Your Excellency, Dr Sam Nuyoma, Founding President and Father of the Namibian Nation;

Right Honourable Nahas Angula, Prime Minister of the Republic of Namibia;

Honourable Ministers & Deputy Ministers from Namibia and from the SADC region;

Executive Secretary of SADC, Dr Augusto Salmao, and your delegation;

Honourable Governors of the Caprivi, Kavango and Otjozondjupa Regions, as well as those from other regions present here today;

Your Excellencies, members of the Diplomatic Corps;

Your Majesties, Chiefs of the Traditional Authorities in the Caprivi Region;

Honourable Members of Parliament;

Honourable Regional & Local Authority Councillors;

NamPower Board of Directors & Management;

Chief Executives of utilities and Head of Coordination Centre of the Southern African Power Pool;

Financiers, contractors and consultants;

Distinguished invited guests;

Members of the Media;

Ladies and gentlemen;

As the Minister responsible for overseeing the implementation and attainment of Namibia's development agenda on energy, I have the great honour to extend a warm welcome to you all to this very important occasion. I am indeed proud to state that our four years of dedicated hard work and commitment to this project has finally paid off.

I am going to give you a brief overview of how and when this project, which is known as the Caprivi Link Interconnector started and evolved over the years. Caprivi refers to the name of this region, whereas the “Link” literally refers to linking of this region to the rest of the Namibian grid and the word “Interconnector” refers to the extension of our national transmission network to the rest of the SADC region.

Many of you may possibly be aware that for decades Namibia and to a large extent the SADC region has been reliant on importing and exporting power through the eastern corridor which runs through Zimbabwe, Botswana and South Africa. There has been no direct connection between the rest of Namibia and its northern neighbours notably Zambia and Zimbabwe. The Caprivi region has since been supplied with power from Zambia.

NamPower, with the support from the Namibian Government, embarked on an interconnection program to:

1. Connect the Caprivi Region to the rest of the Namibian transmission grid and by so doing improve the power supply situation to the Region and;
2. Connect the Namibian transmission grid to its northern neighbours, and by extension provide an alternative transmission route for the region to ensure improved electricity trade between the south and north of the SADC region.

The first phase of the project was the strengthening of the ZESCO network by building a 220kV transmission line from Victoria Falls to Sesheke in Zambia and further extension to the Zambezi substation in Namibia. The completion of this line was inaugurated by the two Heads of States, His Excellency Hifikepunye Pohamba, President of the Republic of Namibia and His Excellency, the late Levi Mwanawasa, former President of the Republic of Zambia on the 28 March 2008, at this same venue. That time the Caprivi link interconnector was still in the initial phase of its implementation.

The challenge faced by NamPower during the Caprivi Link project feasibility study phase was the choice of the most appropriate technology that will maximise the opportunities for wheeling of power to and from neighbouring countries in view of the transmission congestion on the eastern north-south corridor to South Africa. Based on the techno-economic analysis that was made with the assistance of the consulting engineering firm, PB Power, the decision was made for the Caprivi Link Interconnector to be built with a 300MW transfer capacity, upgradeable to 600 MW, using the latest High Voltage Direct Current (HVDC) Light technology. The

Link was implemented at the cost of N\$3,2 billion, of which N\$1,3 billion was a concessional subsidised interest loan financing from the European Investment Bank, French Development Bank and German Development Bank. The project was also partly financed through the N\$ 3 billion NamPower bond program.

Extensive consultations were held with the Regional Councils of Caprivi, Kavango and Otjozondjupa regions since 2006 with the last session which I officiated about two weeks ago here with the Caprivi Regional Council in preparation for this occasion. The Traditional Authorities in Caprivi and Kavango, particularly those whose residents live in the proximity of the line were also consulted prior and during the construction process of the line. Residents in Caprivi and Kavango who had to be relocated away from the line route were duly compensated and NamPower spend close to N\$8 million for this purpose. We are therefore grateful and commend the support the Regional and Traditional leadership provided during the implementation of this project.

With regards to how NamPower attempted to spread the economic benefits of this project, I am informed that several Namibian contractors were sub-contracted for several works ranging from pegging of the transmission line route, mechanical clearing of centre line, route clearing, and installations of servitude gates and construction of the transmission line. Although most of the big tenders were awarded to international companies due to expertise and technology used which is not necessarily available in the region, I am however still proud to state that the few Namibian contractors that participated have benefited enormously from this project.

Directors of Ceremony, Your Excellencies, Invited Guests, Ladies and Gentlemen;

The construction of the Caprivi Link demanded a dedicated team of experts in various fields and skills required to execute a gigantic project of this magnitude. I understand that the NamPower Board of Directors had a challenging task in overseeing the implementation of the project from selecting, approving and awarding huge tenders to mobilising the necessary resources that were required from the NamPower Management and the Caprivi Link Project Team. I am therefore extremely proud of NamPower and would like to take this opportunity to congratulate them for successfully executing this important project to its logical conclusion.

I now have the honour and pleasure of moving to introducing the project team, financiers and contractors:

- 1) NamPower project team under Mr Reiner Jagau as the Head of the Power System Development (PSD) Business Unit and Mr Horst Mutschler as the Caprivi Link Project Leader. Particular acknowledgement to Mr Mutschler for his excellent technical and project management skills, and for enduring the sleepless nights from the beginning of the planning and construction of the Caprivi Link to the end. We are proud of him because there are few in the world that can successfully manage a project of this magnitude to its logical conclusion within budget and time.
- 2) European Investment Bank, German Development Bank, French Development Bank and the Development Bank of Namibia for the financing of the project;
- 3) ABB, the contractor for the construction of the two converter stations at Zambezi and Gerus;
- 4) The line contractors:
 - Jyoti, the main contractor for the portion of the line from Otjiwarongo to Divundu, with
 - ✓ Power Line 2000, sub-contractor
 - ✓ Clydon Namibia, sub-contractor
 - KEC for the portion of the line from Divundu to Katima Mulilo, with
 - ✓ Babcock as sub-contractor
- 5) Murray & Roberts Namibia for the civil works, steel support and erection at the two converter stations;
- 6) Crompton Greaves / Karebo Consortium for the supply of AC power transformers at both sites;
- 7) Trans Africa Projects for the design of AC extensions at both sites;
- 8) Nexus Namibia Construction Joint Venture Company for terrace extensions and access roads to the converter stations;
- 9) EcoPlan Environmental consultants for route identification, Environmental Impact Assessment and Environmental Management Plan
- 10) AIRBORNE Laser Solutions for the aerial survey of the line route

The list with everyone who has contributed to the project is long and cannot be completed within the short time allocated to me at this moment. However, their contribution is hereby acknowledged and appreciated without exception. I am particularly proud to state that Namibia can now boast with intellectual capital privileged by a very few in the world.

May I finally, but not least, also acknowledge my predecessor, Hon. Erkki Nghimtina, the then Minister of Mines and Energy, for the role he played throughout the entire project phases. His contribution is therefore appreciated.

Directors of Ceremony, Your Excellencies, Invited Guests, Ladies and Gentlemen;

The Caprivi Link is just one of the many projects being undertaken by NamPower to address the problem of the deficit of power supply capacity in Namibia and the SADC region. I therefore take this opportunity to request the NamPower Board and its Executive Management, in the same manner, to vigorously proceed with the implementation of other generation and transmission projects with the view to ensure security of supply which is an absolute requirement for national economic development and the realisation of Vision 2030.

I THANK YOU