



Claude Nahon's Contribution to CSD 14 – Ministerial Dialogue, May 10 2006

Public-private partnerships and access to energy: a global challenge

I would like to thank you for inviting our company to join this ministerial dialogue here at the United Nations. First of all I would like to pass on the apologies of our CEO, Pierre Gadonneix, who would have been very pleased to join this interesting dialogue session.

As a lot of speakers have already underlined the huge issues we are facing regarding the Millennium Goals, climate change and sustainable development, I will focus on access to electricity, public-private partnerships and their key conditions of success.

EDF has been working with developing countries for many years now. We have pilot experiments in rural areas which gave rise to the concept of “decentralised service companies”. This was tested in Mali on two sites and prompted the Malian government, backed by the World Bank, to develop a rural electrification programme. A similar approach has now been adopted in Senegal. Larger programmes with 15,000 customers were also implemented in Morocco and South Africa. The technologies being used rely heavily on renewable energy and ensure access to basic services.

EDF also has experience in industrial-scale public-private partnerships. We were a major player in Argentina and are now developing the Nam Theun 2 project in Laos. This 1100MW hydroelectric plant required a 1.4 billion € investment made



in partnership with mainly the Laotian government, the World Bank, the Asian Development Bank and Thai investors – construction is now

underway. The plant will have a significant economic impact on the region, rising Laos's GDP by 30% and saving more than 1 million tonnes of CO₂ per year. The new facility will supply a significant part of Thailand's electricity needs and at the same time speed up the economic development of one of the world's poorest countries. The living conditions of the local populations will be enhanced at the same time.

With these concrete experiences, we do believe that public-private partnerships are an important and appropriate tool for development given the character of the electricity industry. I'll just highlight two main conditions necessary to their success.

We believe that these partnerships need a clear regulatory framework, stable in the long term, providing the right incentives to investors. They also need a financial framework that allows the development of replicable and viable financial models and an even distribution of risks between the players depending on their role in the project – the private partner only assuming responsibility for those risks over which it has control.

We believe too that voluntary corporate initiatives such as the Global Compact, to which we have adhered since 2001, are tools to enhance confidence between the private sector, local authorities and other social actors and this is key for success in public-private partnerships.