Ladies and Gentlemen,

I'm very pleased to have the opportunity to be here this morning. I'm also pleased to note, that Finland remains committed to supporting the poorest countries and improving the living conditions and rights of the poorest people.

The majority of our bilateral development partners are least developed countries. Moreover, we collaborate closely with the office of the UN High Representative for LDCs to support implementation of the Istanbul Programme of Action including organization of this meeting here today. As regards our official development assistance (ODA), the share of support to the least developed countries is very close to 0,20 %. We continue with this trend in our new development policy adopted earlier this year (and as per commitment in Addis Ababa Financing conference).

Ladies and Gentlemen
What can Finland offer to for LDC's such as for as example Tanzania? We are in the Arctic, many LDCs are in tropics, we freeze in cold and dark, LDCs sweat in the sun, but there are common challenges too. Finland's support to developing countries is always based on the needs of the recipient and expertise and experience of implementation. Our long and dark winters have always made energy for heating and lighting an absolute necessity. Long distances, especially in the sparsely inhabited countryside, place additional constraints. Development and maintenance of transportation and electrification infrastructure was - and still is - an enormous effort for us. However, much of our electric system is built on technology that prevailed decades ago. Transportation is highly dependent on imported fossil fuels. Industries built their competitiveness on cheap and abundant grid power, which now has to be maintained with subsidized capacity.

Finland has not been blessed with abundant fossil fuel resources. Our indigenous energy sources, wood and hydropower, have defined the direction of industrial development throughout our history. Finnish people have insisted
on sustainable management of energy sources to ensure that these livelihoods will be available for generations to come. Resource efficiency is key to international competitiveness. This, I believe, explains why today multinational corporations choose Finland as preferred location for cutting-edge biofuel refineries.

We can see a transformation going on. Not just in the choice of technology in the Northern Hemisphere, but also in the new pioneering role that the Southern Hemisphere is claiming. The private sector innovated business models, smart meters and mobile payment may be commonplace in African markets, but still in their infancy in some parts of Europe.

Minigrids offer the same level of service as main grids, and facilitate automatic demand management. The price of modern energy systems has plunged. ICT enables automatic and instantaneous maintenance and balance of the power system. Just a few weeks ago the Prime Minister of Tanzania and the Minister for Development and Foreign Trade of Finland celebrated our two Governments Dar es Salaam electrification project by opening the SCADA-center for management and control for the electric supply in the city. This center, substations, high-voltage connections etc, is a real boost for quality for the electric supply for this city.

Ladies and gentlemen
The pace of technological advancement is so overwhelming, that utility investment decisions are delayed, or scrapped altogether. Large centralized power plants can become risky investments, as the technology they employ could be obsolete or enormous unplanned costs incurred by the time construction is completed. Data to show these developments is widely available, from the North -unfortunately also from Finland – as well as from the South. Global investments in fossil fuel resources have dropped significantly, exhibiting the lost investor confidence and generally declining demand.

Investors have always been exposed to risks. Traditionally risks have been managed by choosing only mature and tested solutions, but the rapidly evolving technology and subsequent changes in competitiveness require more confidence in research, projections, simulations and trends. Pioneers rely on seed funding, and the Energy & Environment Partnership [of MFA Finland] as
well as other private sector support programmes have targeted innovative technologies and business models, with clear potential of scale-up. Well-known cases with companies such as M-Power and Mobisol here in Tanzania have shown that this approach works.

At the same time, reasonably priced, standardized household-size products can have an enormous positive impact on human development, sustainable livelihoods and jobs not to forget the positive impact on gender equality. Such solutions are becoming faster, cheaper and more reliable every year.

Such technically mature products now require utility scale solutions. However, could it be that the traditional investors may have insufficient experience? New business models such as ESCOs (Energy Service companies) that absorb the initial high cost may lower the threshold for commercial and industrial energy consumers to invest in renewable power. The cost of renewable power will decline steadily. Research by a Technical University in Finland indicates, that the power system of Tanzania could be based on renewable energy in 2030, reliably, every hour of the year, at a price [of less than 6 cents per kWh, ] similar to or below that of coal power. Of course, the environmental benefits bring additional value.

In many LDCs the demand for energy and electricity is huge. Many of the countries have a choice to make, do they want to develop the traditional way turning to fossil sources or taking a "shortcut" using alternative ways. In telecommunications this kind of leapfrogging was possible for the developing countries; can this be done with energy too? The ideas and most of the financing are in the solutions provided by the private sector. Thus an enabling and stable policy framework plays a central role. Public & private partnerships are a possible option. The right incentives play a crucial role. The international cooperation should focus on these issues.

Ladies and gentlemen,
The challenge of energy for development is indeed a very pressing one. However, it is also one that can be solved in the foreseeable future. In choosing the path, we should look to the future rather than the past.

Thank you