

Mozambique

Population: **29 million**
GDP Growth: **3.8%**
GDP/Cap (PPP): **\$1,190**
Ease of Doing Business: **138**

“It is the intention of the Executive to is to make electricity the engine of economic development and industrialization.”

– Filipe Nyusi, President of the Republic of Mozambique

ENERGY SECTOR OVERVIEW

At 187 gigawatts, Mozambique has the largest power generation potential in Southern Africa from untapped coal, hydro, gas, wind and solar resources. Hydropower currently accounts about 81% of installed capacity. However, natural gas and renewable energy sources occupy a growing share of Mozambique’s energy mix. Despite the outsized potential, only 29% of the population has access to electricity, due to limited transmission and distribution networks and unfavorable market conditions for new generation. The industrial and commercial segments are expected to drive demand growth, as residential consumers struggle with the existing highly subsidized tariffs.



GENERATION CAPACITY

Installed Capacity: 2,827 MW

- Hydroelectric: 2,184 MW
- Thermal: 643 MW

Power Africa New MW to Date

- Reached Financial Close: 280 MW

Power Africa 2030 pipeline: 1,947 MW



CONNECTIONS

Current Access Rate: 29%

- Rural: 15% Urban: 57%

Households without Power: 4.1 million

- Target: Universal Access by 2030

PA New Off-Grid Connections: 900

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. Public Finances/Macro-economic issues
2. Lack of credit-worthy utility and cost-reflective tariff
3. Lack of strong, transparent regulator

Power Africa Interventions

1. Utility Support gender integration, community engagement and project development
2. Support to new national regulator
3. Revision of the electricity law
4. Transaction-specific support



POWER AFRICA'S ENGAGEMENT IN MOZAMBIQUE

MW GENERATION

Through a series of U.S. Trade and Development Agency (USTDA) grants Power Africa is supporting feasibility studies in Mozambique. One grant is for a 100 MW solar photovoltaic (PV) plant at the Nacala International Airport. The grantee is WHN Solar, S.A. and the solar plant, to be developed in increments of 20-40 MW, includes an associated energy storage facility. The project will add generation capacity and help stabilize the grid, in Northern Mozambique. USTDA also awarded \$1.1 million grant to eleQtra (Moçambique) Limitada for a 120 MW wind farm feasibility study in southern Mozambique's Namaacha District. EleQtra's management acknowledged how critical this early-stage support is strengthening Mozambique's power supply. Finally, USTDA is supporting a technical, financial and economic study for a 78 MW gas-fired power plant through a grant to Kukila Investments that includes associated transmission lines and a gas pipeline spur, in the Chokwé District of Gaza Province.

CONNECTIONS

Power Africa's Southern Africa Energy Program (SAEP) is supporting the national utility, Electricidade de Mocambique (EDM) to develop the 560 km 400 kilovolt (kV) Temane Transmission Project (TTP) by funding the Project Manager position responsible for coordinating TTP work streams and liaising with EDM, the owner's engineers, as well as various consultants and advisors. The TTP will link the planned 400MW gas-to-power plant in Temane to Maputo and South Africa. USTDA is supporting the detailed design and technical inputs for an engineering, procurement and construction (EPC) tender for the planned Mozambique-Zambia 400 kV transmission interconnector. The beneficiaries of the interconnector project include the Southern African Power Pool and the state-owned utilities of Mozambique and Zambia.

SUCCESS STORY

In 2016, Power Africa provided technical assistance to EDM to improve its Getting Electricity score on the World Bank's annual Doing Business Index, and devised new connections procedures that were formalized in a decree in by mid-year. The new procedures, implemented in 2017, consolidated the number of institutions involved in the application process and allowed companies to get reimbursed for the cost of the transformers purchased on EDM's behalf. As a result, the time to get electricity fell from 91 days to 54, procedures from 7 to 5, and cost from 2,276% of per capita income to 800% for new commercial connections.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, over 145 private companies, and 18 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

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