

MOZAMBIQUE



Developing power production from renewable energies.

Energy demand is growing rapidly in Mozambique and the country is aiming for universal access to electricity by 2030. In order to reach this goal while limiting its environmental impact, AFD, through European Union Delegated funds, is partnering with the Government of Mozambique in implementing the PROLER program. This project's goal is to increase power generation from renewable energy sources.

Context

Access to the power grid has tripled in Mozambique over the last 10 years, from 8% in 2006 to 31% in 2019. Electricity demand will continue to grow at an annual rate of 7-8% driven by the government's policy of achieving universal access by 2030. To reach this goal, the Mozambican government wants the power generation industry to become more efficient, to expand its production capabilities by making the most of their potential and reducing losses on its grids. The private sector's active involvement in this area is also an objective. AFD, via EU financing, supports the PROLER (Promoção de Leilões de Energias Renováveis) program for developing renewable energy power generation.

Description

The PROLER program assists the Government of Mozambique in setting up calls for tenders. These calls for tenders enable renewable energy power generation projects to be launched with a total installed capacity of around 120 MW. To date, three solar projects are planned in the cities of Dondo, Lichinga and Manje. A fourth site has been chosen for rolling out a wind power project. To facilitate the implementation of these projects, AFD provides the Mozambican Government with technical assistance for preparing and launching calls for tender. This includes conducting all feasibility studies and environmental and social Impact assessments, environmental and social mitigation measures, and interconnection cost. For private power producing companies that respond to these calls for tender, AFD also proposes establishing a guarantee mechanism to limit the risk of non-payment by the buyer, which is EDM, the national operator.

Impacts

PROLER contributes to reducing greenhouse gas emissions. The construction of the first three photovoltaic power plants should reduce emissions by 25,000 tons of CO2/year and provide power for the annual consumption of 240,000 households. The program also contributes to the country's economic development by increasing power supply at a reduced rate. It also means a better-quality energy service for people and businesses, thus strengthening the Mozambican economy's competitiveness.



Mozambique
Country



2018/2026
Project start date/
Project end date



Energy
Sector



Dondo, Lichinga and Manje
Locations



Funds and guarantee
Financing tools
37,7 M USD
Phase 1 - Proler 4 M€
Phase 2 - Proler +
26,7 M€
Off-taker Guarantee -
7 M USD
Financing amount



Total budget: 141,7 M€
including private
investment
Budget



300 jobs created
Employment



**Government
of Mozambique**
Beneficiaries



European Union
Co-financiers

partners:



aren
Autoridade Reguladora de Energia



**ELECTRICIDADE
DE MOÇAMBIQUE, E.P.**

