MISSION 300
#PoweringAfrica

NATIONAL ENERGY COMPACT FOR MOZAMBIQUE

Preamble

The Government of Mozambique (GoM) is committed to ensuring reliable, affordable, sustainable, inclusive and clean energy for all. This National Energy Compact serves as a roadmap for accelerating the pace of access to energy towards that goal.

Mozambique has achieved an impressive increase in electricity access since 2018, with the access rate nearly doubling from 31% in 2018 to 60.1% in 2024. [1] This progress was catalyzed by the Government's commitment to reach universal electricity access by 2030 as seen in the launch in 2018, of the *Programa Energia Para Todos* (Energy for All Program) underpinned by the National Electrification Strategy (NES). Additionally, Mozambique's commitment to provide access to all Mozambicans to modern, affordable and reliable energy from clean sources was enhanced with the recent approval the Just Energy Transition Strategy. By 2024, Mozambique's electrification was divided into 46% on-grid, 2% mini-grids and the remaining 8% solar home systems (SHSs). Under the "*Energia Para Todos*" Program the Government mobilized substantial resources from development partners backed by important policy measures, including waiving the connecting fee for all households, achieving procurement efficiencies, strengthening institutional capacities, promoting of a new off-grid regulatory framework and introducing innovative subsidies to households' access to electricity and clean cooking solutions. This National Energy Compact sets forth actionable commitments to reach the next stage of transformation of the energy sector anchored in the *Energia Para Todos* program .

Reaching 100% electrification by 2030 will require an additional 4.9 million new connections, corresponding to 423k new connections per year on-grid and 435k new connections per year off-grid, according to the preliminary results of the Integrated Energy Access Plan based on a least cost analysis. On the clean cooking sector, the Government intends to increase from the current 17% access to clean cooking solutions to around 54% by 2030 (including LPG). [2]

GoM will expand the installed generation capacity by an additional 3.1 GW, including the commissioning of the 450 MW Temane Thermal Plant (expected by 2026) and the 1,500 MW Mphanda Nkuwa hydroelectric power plant (under development). The energy mix generation is currently 78.4% renewable energy; by 2032, when Mphanda Nkuwa is expected to be operational, Mozambique expects to increase its renewable energy share to 80.6%. With the expected completion of priority backbone transmission segments and interconnectors with its many neighboring countries, as well with the upgrade of the existing Cahora Bassa Hydropower Dam, Mozambique expects that by the end of this Compact, it will continue to be a lead energy exporter to Southern Africa, supporting Mission 300 goals not only in Mozambique but also in the region , improving access, catalyzing industrial growth, and creating jobs.

This National Energy Compact was developed through extensive engagements and consultations with various stakeholders, including development partners, philanthropies, the private sector, and civil society, to foster partnerships crucial for achieving the ambitious goals of the Compact. It complements existing and future plans such as the Just Energy Transition Strategy, the Integrated Power Master Plan, and the National Electrification Strategy, by setting out a clear policy roadmap to reach universal access by 2030.

Recognizing that success requires capacity building and considerable collective efforts, the Government of Mozambique calls upon development partners, philanthropies, the private sector, and the civil society to join this transformative journey in accelerating the pace of access to energy and help in mobilizing additional **US$18.6** billion in financing, including US$8.7 from private sector.

[1] Energy Access and Use Situation Survey II by NBS – 2019/20
[2] National Clean Cooking Strategy and Investment Plan

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Declaration of Commitment

The Government of Mozambique (GoM) is committed to ensuring reliable, affordable, sustainable, inclusive and clean energy to all in alignment with its National Electrification Strategy "*Energia para todos*" and the Just Energy Transition Strategy (2023) both approved at the Council of Ministers in 2018 and 2023 respectively. To this end, the Government intends to undertake the following:

- **Move towards universal access to modern energy:** By 2030 Mozambique aims to increase electricity access from the current **60.1% to 100%** with special focus on underserved rural areas. This will require a total additional **4.9 million new connections**, corresponding to 423k new connections per year on-grid and 435k new connections per year off-grid, according to the preliminary results of the integrated least cost planning.
- **Accelerate access to clean cooking**: as prioritized under Axis 3 of the Energy Transition Strategy, GoM intends to move from the current access to clean cooking solutions, accounting for **17% (14% LPG and 3.4% other technologies**), to **54%** corresponding to 23% LPG and 31% other technologies, benefiting 4.5 million households.
- **Develop a modern energy system based on renewable sources** by expanding and upgrading the national electricity grid and increasing renewable generation capacity. Mozambique aims to grow its renewable energy share from the current **78.4% to 80.6%** by 2032 [3], with significant investments in solar, wind, and hydro power—as prioritized under Axis 1 of the Energy Transition Strategy. To ensure that all new renewable generation can be integrated into a robust grid, the country will focus on strengthening and modernizing the transmission and distribution infrastructure, with a planned addition of over 2000 km of transmission lines.
- **Prioritize Mozambique's regional integration** with the aim of managing hydro and other resources holistically and building a 400 kV backbone to link the Northern, Central and Southern regions and completing interconnectors with regional grids to position the country as an energy hub in Southern Africa, contribute to the energy transition of its neighbouring countries and strengthening regional interconnection.
- **Create an enabling environment** enhancing private sector participation in the energy sector through competitive procurement to mobilize a total of **US$ 8,698 million of private investment by 2032** to support Mozambique's energy transition and development goals.

To achieve the targets outlined in the National Energy Compact, the Government of Mozambique commits to addressing critical bottlenecks across the energy value chain as outlined in the Compact's Action Plan. In particular, the Government of Mozambique commits to:

AXIS I
REHABILITATE AND EXPAND ENERGY INFRASTRUCTURE AT COMPETITIVE COSTS

- **To align national planning with least cost and resilient energy expansion**, Government commits to update the current power system master plan by 2026 under the principles of least cost planning. The government commits to institutionalize periodic updates and implement regulation which will enforce the development of power generation and associated investments in line with the master plan.
- **To ensure transparent and cost-effective development of new generation capacity**, the Government will require competitive tenders for generation energy projects and align the PPP Law with the Electricity Law (12/2022).
- **To adopt the principle of integrated cascade operation** of the current and new hydro generation projects in the Zambezi basin to optimize the use of hydro energy resources and associated investments, including the existing Cahora Bassa Hydro Project and the upcoming Mphanda Nkuwa Hydropower Project.
- **To improve demand-side energy efficiency and reduce long-term system costs**, the Government commits to operationalize the energy efficiency strategy approved in 2023 and promote technical standards and technology for household electro domestic appliances. The Government also commits to operating efficiently the electrical system in accordance with transmission and distribution grid code and improvement of load factor demand in the system.

AXIS II
LEVERAGE BENEFITS OF INCREASED REGIONAL INTEGRATION

- **To ensure the security, integrity, and efficiency of the of the power system operation and appropriate management of the electricity market**, Mozambique commits to establishing an independent system and market operator and ensuring adequate system resources and institutional and regulatory environment for its operation, including modernization

[3] The commissioning of the Mphanda Nkuwa hydropower project in 2032 will contribute an additional 1,500 MW to the national grid.

of the National Dispatch Center and the subsidiary domestic regional centers.

- **To create an integrated national transmission system and further strengthen regional integration**, Mozambique commits to establish a domestic transmission backbone and priority regional transmission interconnections while pursuing bilateral and multilateral agreements (PPAs).
- **To enable integration of renewable energy and regional interconnections**, the Government commits to efficient operation of the power system in accordance with the transmission and distribution grid code and improvement of the load demand in the system.
- **To maximize the benefits to the country from electricity exports**, the Government will require power sector State Owned Entities (SOEs) to apply sound commercial principles to export contracts.

AXIS III
MOVE TOWARDS UNIVERSAL ENERGY ACCESS WITH FOCUS ON RURAL AND UNDERSERVED AREAS AND ACCELERATE CLEAN COOKING SOLUTIONS

- **The government commits to updating the National Electrification Strategy (NES)** including health and education facilities and productive uses by 2026, informed by an updated geospatial least cost electrification analysis currently under development.
- **To scale up access to modern cooking solutions,** the Government commits to adopting the National Clean Cooking Strategy and Investment Plan, for clean cooking and implementing the LPG massification strategy and implementing awareness campaigns by 2028.
- **To unlock climate finance for the clean cooking sector**, the Government commits to approving and adopting the Mozambique's carbon market regulation, to calculating and adopting an fNRB value by 2026.
- **To remove barriers to public service electrification**, the Government commits to implementing a zero-connection fee policy for schools and health centers and explore mechanisms to ensure financial resources for the ongoing operations costs of electrification.
- **To ensure sustainable funding for last-mile energy access**, the Government commits to operationalizing the Electrification Fund through the approval of the universal access tax and building FUNAE's funding mobilization and management capacity.
- **To track progress effectively and guide decision-making**, the Government commits to strengthening and reinforcing the Integrated Unit for Planning and Coordination the Electrification (UIPCE) and deploying a national monitoring and evaluation framework based on the Multi-Tier Framework (MTF) for electricity and clean cooking access, including an updated digital monitoring platform.

AXIS IV
INCENTIVIZE PRIVATE SECTOR PARTICIPATION TO UNLOCK ADDITIONAL RESOURCES

- **To mobilize private capital for strategic transmission investments**, Government commits to analyse the value for private sector participation in the transmission of which an adequate regulatory framework should be established for participation.
- **To expand private sector investment in off-grid and clean cooking solutions**, the Government commits to operationalizing financing windows under results-based financing and catalytic grant mechanisms, such as the +ENERGIA, +SOL and other facilities and programs such as Giz EnDev or SNV-Brilho to scaling and updating the mechanisms to respond to evolving market needs.
- **To accelerate rural electrification and improve the affordability for the Mozambique's lower income population**, Government of Mozambique commits to operationalize the Off-Grid Regulations under Resolution number 56/2022 December 30th, including the tax incentives set out therein.
- **To accelerate the process of projects development** the Government commits to mobilize grants and concessional funding for renewables investments, promote competitive procurement programs for investments in renewable energy projects, and build capacity for tendering and evaluation processes as well as to set up a "one stop shop" to support project developers.

AXIS V
ENSURE FINANCIAL VIABILITY OF THE UTILITY TO ENSURE ENERGY SECURITY AND PROVIDE RELIABLE AND AFFORDABLE SERVICES

- **To ensure long-term financial sustainability of the electricity sector**, the Government commits to ensuring adequate energy mix and optimized blended cost of energy for Mozambique; and implementing the new cost-reflective tariff methodology approved in 2022, while protecting low-income consumers.
- **To improve EDM's financial health and creditworthiness**, the Government commits to preparing and implementing an arrears clearance plan for EDM, targeting all legacy arrears; and continuing the implementation of EDM's Loss Reduction Plan

(LRP) and updating EDM's Financial Strengthening Plan (FSP)), including using digital tools to enhance utility performance and progressing GIS mapping of network customers.

- **To reduce infrastructure costs and enhance climate resilience**, the Government commits to adopting optimized technical standards and procurement processes for transmission and distribution networks across urban, rural, and peri-urban areas.
- **To enhance transparency and investor confidence**, the Government commits to publishing EDM's audited annual financial statements on a regular basis.

The Government undertakes to ensure rigorous and transparent monitoring of the National Energy Compact by creating a Compact Development Monitoring Unit (CDMU) at the Ministry of Mineral Resources and Energy. The CDMU will be allocated at the Integrated Unit for Planning and Coordination of Electrification (UIPCE), supported by the Ministry of Energy and other stakeholders. The UIPCE will be strengthened and reinforced to undertake data collection and establish feedback mechanisms that will guide policy adjustments and track progress in achieving universal energy access. Monitoring efforts will be integrated into the program's budget.

Call for Partnerships

The Government invites development partners, philanthropies, and private sector stakeholders to support Mozambique's ambitions towards a modern energy system based on renewable energy sources, universal access and massification of clean cooking solutions [4]. These efforts will foster economic growth, create income opportunities, employment and contribute to the country's low carbon development goals.

Funding needs from the public and private sectors by 2030 [US$ Million]

	Generation	Transmission (above 66kv)	Rehab. (HCB)	Last-mile connections on-grid	Off-grid	Clean cooking	Technical assistance	Total
Public	500	4,300	300	3,636	574	246.5	367	9,923
Private	7,342	500	100	0	509	246.5	0	8,698
Total	7,842	4,800	400	3,636	1,083	493	367	18,620

[4] Pillar 1 and Pillar 3 of Mozambique's Just Energy Transition Strategy, approved at the Council of Ministers in 2023

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Compact Targets and Action Plan

This Energy Compact presents high-level commitment actions, with specific targets and timelines to drive progress towards the achievement of universal access to energy in a reliable, affordable, and sustainable manner.

Indicator	Current Access Rate Between 2018 and 2024	Targeted rate between 2025 and 2030
Increasing Electricity Access Rate (%)	31% energy access by 2018 60% energy access by 2024	100% by 2030 • 7% compound annual growth • 71% on-grid • 29% off-grid
Increasing Access to Clean Cooking (%)	14% access to LPG by 2024 3.4% access to other technologies by 2024	23% access to LPG by 2030 31% access to other technologies by 2030

Indicator	Current 2024	Target by 2032
Share of Renewable Energy (%)	78.4%	80.6%
Increasing Installed Renewable Capacity (MW)	2,922 • Hydro: 2,193 • Solar PV: 98 • Wind: 0 • Gas: 454 • Others: 177	6,073 • Hydro: 4,344 • Solar PV: 303 • Wind: 245 • Gas: 1004 • Others: 177

	Baseline 2024	Target by 2030
Amount of Private Capital Mobilized (USD million)	0[5]	8,698

[5] Mozambique has mobilized significant amounts of private investment for generation (See Section 4) in the past, but the baseline refers to the starting point of this Compact.

Action Plan

Axis	Indicator	Baseline Data (2024)	Target Year & detailing the action needed to achieve goal
I: Rehabilitate and expand energy infrastructure at competitive costs	Updated Integrated Electricity Master Plan with a least cost approach		Updated Power Master Plan including least cost analysis and regional integration, finalized and adopted into regulation by Government of Mozambique. Identification of new generation, transmission and distribution investment plans and priority projects based on updated plan (2026) Institutionalize periodic updates of the Power Master Plan (2026)
	Competitive procurement policy and framework in place for private sector investment in RE		Implementing regulation of the 2022 Electricity Law is adopted which ensures that procurement of private investment in RE is competitively awarded and follows the Power Master Plan, as periodically updated (2025)
	Investment Action Plan for demand side management and energy efficiency in the major energy consuming sectors		Implement the priority actions of the energy efficiency strategy approved in 2023: • Review the grid code to update the Power Factor reference to avoid losses (2028) • Development of standards (MEPS) for lighting and electrical appliances in the national market (2026) • Design of a national label for energy efficiency on-grid and off-grid energy consuming appliances (2027) • Promotion of best practices in energy use (2026) • Define standards for SHS and clean cooking (2026)
II: Regional Integration and Power Trade	Promote Mozambique's position as the lead energy exporter to SAPP		• Plan to develop the Zambezi basin cascade in an optimal manner taking into account upcoming investments including the 1500 MW Mphanda Nkuwa Hydropower Plant (2026) and the upcoming rehabilitation of Cahora Bassa Hydropower Plant. • Develop policy on export pricing of electricity, requiring power sector SOEs to enter into export contracts on commercial principles.
	Increase regional integration		• Establish domestic transmission backbone and priority transmission interconnections to expand regional trade opportunities (2030). • Enter into bilateral and multilateral agreements (PPAs) at market prices (ongoing).
	Modernize grid operations		• Complete the National Control Center and the Regional Dispatch centers (2028)

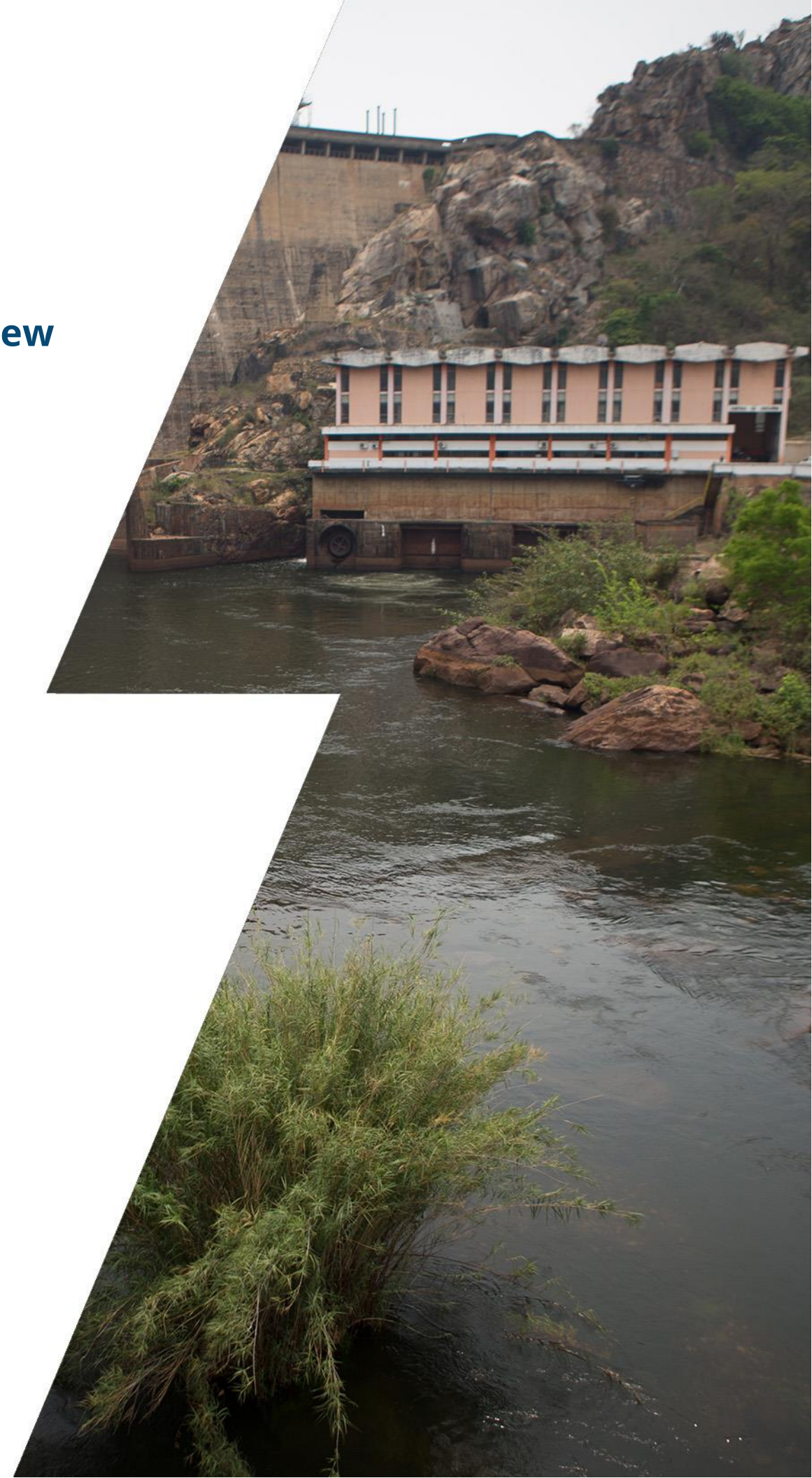
	Establish an autonomous system and market operator	• Develop an Action Plan to operationalize the system operator and progress eventually to independent system operator (2026) • Creation of the organic statute on the institutional and market structure of the sector, and the corresponding roles and obligations, to be approved by the Council of Ministers (2028)
III: Last Mile Access	Updated National Electrification Strategy based on the Integrated Energy Access plan	• Finalize the Integrated Energy Access Plan, which is based on the geospatial least cost analysis (2026) • Update the National Electrification Strategy based on the Integrated Energy Access Plan, with a plan for periodic updates, and including public facilities, clean cooking and productive uses (2027) • Develop an assessment on potential for productive use for off- and on-grid electrification (2026)
	Establishment of sustainable funding mechanisms for electrification and clean cooking	• Operationalize the Electrification Fund through the approval of the universal access tax (2027) • Build FUNAE's capacity in fund mobilization and management (2028) • Adopt a fNRB value for Mozambique to strengthen Carbon Credit integrity for Clean Cooking Segment • Establishment of Mozambique Mini-Grid Country Platform (2025) • Strengthen and scale up the results-based financing and catalytic grant mechanisms, such as the +ENERGIA, +SOL and other facilities, • and programs such as Giz EnDev or SNV-Brilho, to support off-grid electrification and clean cooking, offering targeted financial windows for private sector participation.
	Institutional capacity and coordination	• Strengthen institutional capacity of UIPCE, DNE, DNHC, EDM, FUNAE and ARENE to deliver on electrification and clean cooking mandates. • Improved access to and management of energy data (technical capacity and storage) • Adopt a digital monitoring and evaluation platform to track access to electricity and clean cooking by UIPCE and based on the Multi-Tier Framework survey currently underway.
	Strengthen clean cooking sector	• Approve and adopt the Mozambique's carbon market regulation • Calculating and adopting an fNRB value for Mozambique • Approve and adopt the National Clean Cooking Strategy (2026) • Approve and adopt the Clean Cooking Investment plan (2027) • LPG Massification Master Plan approved (2026) • Awareness Campaign for clean cooking (2026) • Appointing a lead agency with the mandate to lead the Clean cooking agenda (2026)

	Adoption of Zero connection fee policy for health and education facilities	• Adopt the zero-connection fee policy for health and education facilities to eliminate one of the main barriers for on-grid and off-grid electrification after assessing the impact on the sector and alternatives ways of compensation. • Adopt a maintenance plan for electrified health and education facilities
IV: Private Sector Participation	Facilitate private sector participation in the transmission sector	• Analyse the value for private sector participation in the transmission of which an adequate regulatory framework should be established
	Accelerate rural energy access and improve the affordability	• Operationalize the National Electrification Strategy under the Resolution number 56/2022 on December 30th, including the tax incentives for on and off grid electrification.
	Improve the enabling environment for private sector participation	• Align the PPP law with the Electricity Law (2027) • Dedicated financing instruments—such as credit lines and guarantee schemes—to support renewable-energy projects and companies and address the lack of local currency finance in the country • Promote competitive procurement programs for investments in renewable energy projects (ongoing) • Build capacity for tendering and evaluation processes (ongoing)
	Leverage carbon markets for energy sector finance	• Adopt the Carbon market Regulation
V: Financially Viable and Operationally Competent Utilities	EDM Financial sustainability: Continue the implementation of the Loss Reduction Plan	• Launch a new initiative focused on the annual reduction and eventual clearance of IPP arrears, coupled with the enforcement of financial discipline in expenditure and payment priorities. EDM's primary goal will be to settle outstanding arrears, including those owed to HCB, to improve its creditworthiness. This will involve a systematic effort to reduce arrears each year (2025). • EDM to consistently achieve at least 100 percent operational cost recovery (including debt servicing) annually. This was achieved in 2023. EDM to continue current trend of recovering operational cost recovery yearly (2026). • Continued GIS mapping of customers, improved operational systems and smart meters to large customers reduce commercial losses (2028) • Update the Loss Reduction Plan and the Financial Strengthening Plan (2026)
	Ensure EDM recovers its operation costs through a cost-reflective tariff while ensuring affordability	Implement the new tariff methodology approved in 2022 including periodic adjustments of the tariff levels. (2026)

Audited annual financial statements of EDM published and received by relevant parties	• EDM to provide audited annual financial statements, audited by a reputable audit company (ongoing).
Adoption of optimized standards and optimized procurement approach by EDM	• Optimized technical standards for the design and construction of electricity transmission and distribution infrastructure and procurement approach adopted at EDM level. Includes the harmonization of standards for urban, rural, and peri-urban areas, while integrating infrastructure resilience to climate change (2026).
Improve jobs, gender balance and internal capacity	Develop a national gender strategy for the energy sector to Increase women's participation in the energy sector, including in employment and entrepreneurship, by 30%

3

Country and Sector Overview



Macroeconomic overview

Situated in southeastern Africa along the Indian Ocean, Mozambique spans approximately 801,590 square kilometers, making it one of the largest countries in the region. The country shares borders with Tanzania to the north, Malawi and Zambia to the northwest, Zimbabwe to the west, and Eswatini and South Africa to the southwest.

Mozambique's population is approximately 33 million and expected to double by 2050, an average age of 17 and a GDP per capita of 540 USD. Over 70% of the population lives in rural areas.

Over the last decade, the country has seen strong growth, led by the Extractive Industries and Financial Services sectors in percentage terms, and Agriculture in absolute terms; a sector that contributed the most to Mozambique's economy (around a third of GDP and most of the employment). The economy is supported by an extensive transportation network linking mining and agricultural areas to deep-water coastal ports. Seven main seaports, including Maputo, Beira and Nacala, are linked to the interior by rail and road networks.

Mozambique has low levels of emissions. Greenhouse gas (GHG) emissions are 2.1 tCO2 per capita in 2021, less than a third of global levels. However, given its location and climate adaptation, the country is particularly vulnerable to climate change, ranking 50th in terms of vulnerability to climate change and 173rd in terms of preparedness to face extreme weather events. Recent natural disasters, particularly cyclones and floods, have revealed both the human and economic costs for the country.

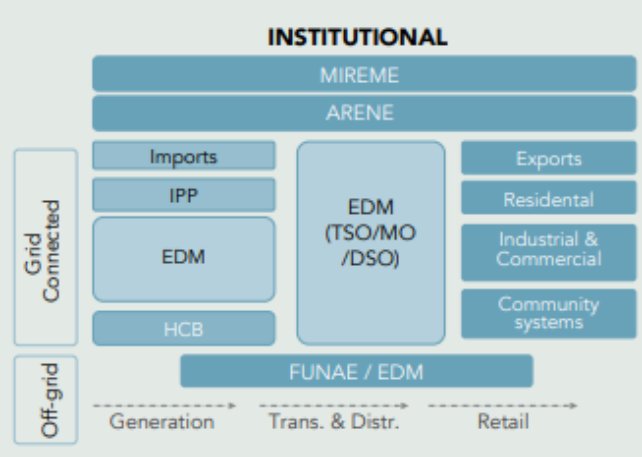
Fuelled by its vast energy resources, including natural gas and abundant renewable energy potential, the country is now embarking on a transformative journey to build a modern energy system that supports its development and industrialization goals while keeping its priority of providing universal and affordable access to modern and reliable energy to all Mozambicans. Given its strategic location, Mozambique has the potential to become a regional energy hub. To realize this vision, it must modernize and expand its national grid to accommodate new renewable energy generation and improve connectivity across the country. In addition, Mozambique must address several challenges, including the low affordability of the remaining unelectrified population, the need for abundant availability of clean electricity to translate into productive uses and industrial growth, and continued investment in human capital to ensure capacity to support the creation of value-added jobs.

Energy Sector overview

The energy sector in Mozambique is regulated and supervised by the Ministry of Mineral Resources and Energy (MIREME). MIREME formulates Energy Policy and monitors policy implementation. The other key institutions within the government structure in the energy sector are ARENE, FUNAE, EDM and HCB.

The **Energy Regulatory Authority (ARENE)** was established in 2017 with the mission to supervise, regulate, represent, control and sanction all electricity operators. Its regulatory functions extend to Economic Regulation (Tariff-Setting), Technical Regulation (Quality of Service), Institutional Capacity, and Energy Efficiency Development.

The **Energy Fund (FUNAE)** was established in 1997 and its mandate amended in 2002 and 2021 to strengthen its administrative and financial authority. Its objective is to promote the development, generation and use of several forms of energy at low-cost to supply rural and urban areas inhabited by low-income households and to ensure rational and sustainable management of energy resources.



In Mozambique there are three main electricity companies: **Electricidade de Moçambique (EDM)** is the public utility responsible for transmission and distribution as well as a large share of the country's generation capacity; **Hidroeléctrica de Cahora Bassa (HCB)** is Mozambique's hydropower generation company. It manages and operates (under a concession agreement granted by the Government of Mozambique) assets from the Cahora Bassa scheme. These comprise the dam, one of the biggest hydropower systems in Africa with an installed capacity of 2,075 MW, the HVDC transmission system, the Matambo substation and additional transmission lines and finally **Mozambique Transmission Company (MOTRACO)** which is an Independent Transmission Company responsible to wheel power to

Eswatini, Mozambique and supply the power to Mozambique Aluminum factory in the industrial Park of Beluluane in the Maputo Province. MOTRACO is equally owned by Mozambique (EDM), Eswatini (EEC) and Eskom by 33,3% each.

Mozambique's energy potential

Mozambique boasts the greatest potential for electricity generation of any country in Southern Africa. The country holds a diversified spectrum of 23,026 GW; the most abundant energy source is solar (23,000 GW) followed by hydro (18 GW), wind (5 GW), biomass (2 GW) and finally, geothermal (0.1 GW).

Mozambique has an estimated hydroelectric potential of 18,6 GW which is the largest in Southern Africa and among the highest of the African continent. More than 80% of this potential is located in the Zambezi Valley, which is home to the Cahora Bassa dam, 2,075 MW of installed capacity, one of the largest hydroelectric dams in Africa, and the site of the 1500 MW Mphanda Nkuwa Dam under development.

Mozambique has favorable conditions to meet domestic demand, and export to Southern African countries and international markets. Its rich energy resources and the strategic geographic location, as a gateway to the African interior, make the energy sector a critical driver of sustainable economic growth. The strategic use of these energy assets can accelerate the transition to a middle-income industrialized economy and a structural transformation from primary economy to an industrialized and service economy.

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Current status, opportunities and challenges

Axis I: Generation Expansion and Investment in Infrastructure at Competitive Costs

Mozambique's power system currently has an installed capacity of approximately 2.9GW, dominated by hydropower (74%), followed by gas (15%) and solar (3%). The Cahora Bassa Hydropower Plant, with 2,075 MW of capacity, is the main contributor, although most of its generation is exported to South Africa under a long-term power purchase agreement that expires in 2029. Other operational assets include smaller hydro plants operated by EDM, four gas-fired plants concentrated in the south, and two grid-connected solar PV facilities in the central region (Mocuba, Zambezia) and the northern region (Metoro, Cabo Delgado).

While generation capacity is relatively robust, Mozambique's transmission and distribution infrastructure remains a major bottleneck. With only 5,679 km of high-voltage transmission lines—just 367 km at 400 kV—the country lacks the ability to efficiently move power from generation-rich areas in the north to high-demand centers in the south. This has led to internal imbalances, reliability challenges, and reliance on South Africa to move electricity between Mozambican regions. A transformative project to construct a 2,000 km 400 kV backbone transmission line is already underway and expected to be completed by 2030. It aims to integrate the grid, improve domestic power flow, and increase Mozambique's ability to export power to the Southern African Power Pool.

Key opportunities the planned development of the 1,500 MW Mphanda Nkuwa hydropower project by 2032. Strategic partners for this flagship $5 billion project were competitively selected, with the winning consortium comprising Electricite de France, Total and Sumitomo. Technical, environmental, social and economic studies are ongoing, with financial close expected by the end of 2027. New solar and wind projects are also being tendered under competitive programs like PROLER and Get.Fit. However, the sector still faces major challenges that could hinder its ability to meet growing demand and integrate large-scale renewable energy. Key planning instruments such as the Integrated Electricity Master Plan remain outdated and require urgent revision, under the methodologies of the least-cost planning to guide future investments effectively. Institutional coordination across energy agencies remains weak, and technical capacity gaps limit project preparation and implementation. Access to concessional financing for large infrastructure remains limited, especially in transmission. Critically, while the 2022 Electricity Law mandates competitive public tendering and least-cost selection as the standard procedure for awarding concessions in power generation, this principle is not yet consistently applied. Implementing public tendering as a general rule is essential to ensure transparency, cost-effectiveness, and improved bankability of generation projects—especially as Mozambique prepares to scale up solar, wind, and hydro investments under its Energy Transition Strategy.

Axis II: Increased Regional Integration

Mozambique plays a key role in the Southern African Power Pool (SAPP), thanks to its abundant generation capacity and strategic geographic location. The country is already interconnected with South Africa, Eswatini, and Zimbabwe, and is completing a new 218 km of 400 kV interconnector with Malawi. Once finalized, this infrastructure will facilitate an additional 70 MW of exports, underpinned by a revised power purchase agreement between EDM and ESCOM. Further interconnections with Zambia and Tanzania are progressing through feasibility studies and bilateral agreements.

At the national level, Mozambique is preparing the institutional foundation for modernizing its power system. The country is developing a National Control Center along with three regional dispatch centers to manage grid operations in real-time and lay the groundwork for a future System Operator. These efforts will be critical to improving access and service to customers domestically and unlocking regional trade potential and integrating variable renewable energy.

Despite progress, the high-voltage network remains underdeveloped, hindering both domestic electrification and regional exports. Regulatory tools such as the Grid Code and regional pricing methodologies are under revision, but institutional capacity to implement them remains limited. Continued investment in transmission infrastructure and regional coordination will be essential to realize the full benefits of integration and Mozambique's ambitions to become a regional energy hub.

Axis III: Clean and Affordable Last Mile Access

Electricity Access

Mozambique has made significant progress in expanding electricity access, driven by strong political commitment and sustained investment through the Energia para Todos (Energy for All) Program. Between 2018 and 2024, the national access rate rose from 31% to over 60%, positioning Mozambique well above the Sub-Saharan African average. This acceleration was enabled by a combination of grid expansion, targeted policy measures, and support from development partners.

The 2024 performance illustrates the country's momentum, with more than 400,000 new on-grid connections and 140,000 off-grid connections completed in a single year.

The SHS sector has shown rapid growth, between 2020 and 2024, more than 700,000 units have been sold with the support of implementing programs such as EnDev or Brilho, which supported more than half of SHS sold, and a vibrant private market now taking root. Eight major PAYGO companies operate in the sector, benefiting from catalytic financing and donor-backed results-based funding schemes. Meanwhile, the country counts with 98 mini-grids, of which 99% have been exclusively developed by FUNAE using national resources and represent 11.6 MW and around 11,000 connections. With the intent of encouraging the participation of the private sector in the mini-grid sector, FUNAE has also launched the largest operations and management tender for 42 mini grids. Although private participation in mini-grids remains limited, recent regulatory reforms under the 2022 Electricity Law and ongoing competitive tenders are designed to unlock private investment.

Despite these advances, Mozambique continues to face key challenges. Electricity access remains uneven, particularly in rural areas and conflict-affected provinces. Affordability remains a barrier, especially for the poorest households and for the electrification of public facilities like schools and health centers. Financing gaps are a persistent issue, and the country still relies heavily on donor funding for last-mile infrastructure. Planning tools such as the National Electrification Strategy and the Least-Cost Electrification Plan require urgent updates to incorporate public service electrification, productive use, and the evolving energy landscape.

To address these issues, the Government is finalizing an Integrated Energy Access Plan based on least-cost analysis and is committed to institutionalizing regular updates to strategic documents. The creation of an Electricity Access Fund and FUNAE's evolving role as a Fund Manager also represent promising steps toward more sustainable, long-term financing for electricity access.

Clean and improved cooking

While electricity access has advanced rapidly, the clean cooking sector in Mozambique remains significantly underdeveloped. As of 2023, only about 17% of the population had access to improved or clean cooking solutions, like LPG, natural gas, e-cooking and ICS, while the vast majority of households continue to rely on traditional biomass fuels such as firewood and charcoal, government aims to move from to 54% access by 2030. This dependence contributes to forest degradation, household air pollution, and serious public health risks, particularly affecting women and children in rural areas.

To reverse this trend, the Government of Mozambique is stepping up its policy and investment efforts. Over 770,000 improved cookstoves (ICS) have already been distributed, and there are plans to reach an additional 700,000 households in the near term. The clean cooking market is still at an early stage, with private sector involvement growing—particularly among local producers who have begun manufacturing and assembling semi-industrial cookstoves, including electric models. Institutional clean cooking is also gaining attention, especially in schools and healthcare facilities, which are being prioritized under new public programs. Local companies producing improved cookstoves are being supported through programs such as BRILHO, that supported to distribute more than 300.000 ICS in the last 5 years, and facilities such as +ENERGIA or the recently approved +SOL , helping them upgrade their production to meet higher tiers.

A major Axis of the Government's clean cooking strategy is the LPG Massification Plan, which aims to significantly expand access to clean cooking fuels through the widespread adoption of liquefied petroleum gas. The plan envisions a multi-pronged approach that includes strengthening LPG supply chains, promoting local distribution infrastructure, incentivizing private sector participation, and ensuring affordability for low-income households. Government aims to move from 14% LPG access today to 23% by 2030, accounting for a total of 1.3millions households with access to LPG by 2030. Key actions include investments in bulk storage and filling stations, development of safety and quality standards, awareness campaigns to build consumer trust, and targeted subsidies to support adoption among the most vulnerable. The plan also complements broader efforts to diversify clean cooking technologies and reduce the pressure on forest resources.

To inform the implementation of the LPG Massification Plan, the Government—through MIREME —is currently preparing a National LPG Master Plan and a 10-Year Horizon Investment Forecast. This ongoing work includes a comprehensive assessment of the LPG value chain and aims to identify the critical infrastructure, regulatory improvements, and financing mechanisms required to accelerate large-scale adoption of LPG, particularly among low-income households.

In addition to the LPG plan, the Government is finalizing a National Clean Cooking Strategy and Investment Plan, which will outline a comprehensive roadmap to scale up improved cookstoves, electric cooking, ethanol, and biogas solutions. Mozambique is also preparing to tap into carbon markets by adopting a national fraction of non-renewable biomass (fNRB) value, which will strengthen the monetization of emissions reductions and lower the consumer cost of clean cooking solutions.

Despite this progress, the clean cooking sector (excluding LPG) continues to face substantial barriers. Financing remains fragmented and largely donor-dependent, and the lack of a coordinated regulatory framework has limited scale-up. Consumer awareness and affordability also pose challenges, particularly in remote areas where distribution is weak and mobile payment options are limited. To accelerate clean cooking adoption, Mozambique will need to ensure strong policy coherence, expand public-private partnerships, and unlock innovative financing—including results-based finance and carbon revenues—at scale.

Axis IV: Incentivize Private Sector Participation to Unlock Additional Resources

Private sector engagement has grown significantly over the past decade, particularly in power generation. Since 2014, Independent Power Producers (IPPs) have contributed nearly 500 MW to the grid, and more projects are under development in gas, solar, wind, and hydropower. The legal and regulatory framework has improved with the passage of the 2022 Electricity Law and its 2024 addendum, which has removed barriers to arbitration and investment. Complementary reforms, such as a new PPP law and the Economic Acceleration Measures Package (PAE), are further strengthening the enabling environment. Mozambique has had significant successes in the past in raising private financing for the energy sector, such as in the Temane Combined-Cycle Gas Project and associated Transmission Line, which attracted over $700 million of private investment. As noted above, the Government of Mozambique is currently developing the 1500 MW Mphanda Nkuwa Hydropower Project, with a public-private international consortium and significant private financing to be mobilized.

Additionally, the lack of appropriate financing instruments, including risk-mitigation instruments (guarantees, off-taker insurance, etc) and local currency finance are challenges for private sector participation.

In the off-grid space, the regulatory framework approved in December 2021 and the off-grid electrification plan approved in November 2023 have contributed positively to its development. The SHS sector is largely private-led, supported results-based financing (RBF) for more than 10 years within EnDev and Brilho programs, along the time the sector has included catalytic grants and now it is transitioning to more sophisticated RBF. The Government is also investing in building a pipeline of mini-grid projects for future private concessions, supported by donor-funded programs like Get.Fit and +Sol. In the clean cooking sector, private companies are becoming more active, especially in LPG distribution and local cookstove manufacturing, supported in part by emerging carbon finance mechanisms.

The Regulatory Agency (ARENE) is currently operationalizing the regulatory framework in coordination with implementing programs such as Brilho, +Sol and Get.Fit

Despite this progress, private participation in transmission remains minimal and in mini-grids is still nascent. Market concentration is high in the SHS segment, and smaller players face high risks due to limited access to finance and high upfront costs. The clean cooking sector also suffers from high entry barriers and weak consumer demand. Going forward, Mozambique's challenge will be to scale and diversify private participation across technologies and regions while ensuring that investments are financially viable and socially inclusive.

Axis V: Work Towards Financially Viable Utilities that Provide Reliable Service

The financial sustainability of EDM, the national utility, has improved in recent years thanks to the implementation of a Financial Strengthening Plan (FSP). Since 2021, EDM has maintained a cost-recovery position, supported by a stable exchange rate, additional allocation of HCB power, increased domestic and export sales, and better operating cost control. Tariffs were revised in 2018–2019 and a new tariff methodology requiring pass-through of operating costs (including inflationary and currency movement impacts) was approved in 2022, though has not yet been applied. Total system losses have reduced from 29% to 24%, and smart metering programs are underway to address technical and commercial inefficiencies. Sales of electricity have increased from 2023 to 2024 by 9% and revenues have increased by 12% from 2023 to 2024, buoyed by healthy export revenues.

However, the utility still faces significant challenges. Legacy arrears to electricity suppliers remain high, while arrears to IPPs have partially reduced over time, those to HCB have significantly increased (approximately USD 137 million to IPPs and $351 million to HCB). In the absence of implementation of the 2022 Tariff methodology, EDM remains significantly exposed to the impact of currency and fuel price fluctuations on its power purchase costs. While generation capacity addition offers lucrative export opportunities, it also exposes EDM to export market risks in the absence of long-term export contracts. Operational capacity is stretched across generation, transmission, and distribution activities. To ensure sustainable service delivery and mobilize further investment, EDM must continue strengthening its financial position, repay arrears, remain current on power purchase payments, pursue long-term export opportunities, continue reducing losses, and ensure transparency through regular audited

reports. Broader institutional reforms and capacity building across the sector will be critical to meet future demand and implement Mozambique's ambitious energy transition agenda.

Gender in Energy. According to the 2025 Global Gender Gap Index, Mozambique has closed approximately 73 percent of its gender gaps. Despite the progress, women continue to be underrepresented in professional and technical work with 42 percent of women versus 58 percent of men currently in those positions. In the energy sector, women are underrepresented in the workforce at 25% at the National Energy Directorate and approximately 20% in national utilities. The female share of graduates in STEM fields is approximately 6 percent when compared to 13.5 percent men (2025 Global Gender Gap Index) which leads to a weak pipeline of potential hiring candidates in the public and private sector. On the demand-side, gender gaps in access to energy show that female-headed households (33.8%) are less likely to have access to both electricity and clean cooking technologies. Furthermore, because of women's high involvement in the informal sector, women are less likely to reap the economic benefits from electrification.

As part of the energy sector reforms, a national gender strategy for the energy sector will be developed to address gender gaps in the energy sector and increase the participation of women in the sector by 30 percent. To ensure a data-informed strategy, the reforms will ensure collection of sex disaggregated data in the energy sector, which will enable Mozambique to refine not only its national access to energy agenda but lead and support the private sector led structural gender-responsive investments that contribute to increase in women's participation in the sector particularly in creation of jobs, employment and entrepreneurship.

ANNEX I
METRIC OF KEY INDICATORS

AxisAxes	Metrics /Indicators	Data (latest available)
Axis 1 –Expand Generation and T&D Networks	**Generation Capacity Installed** (MWs) by 2024	2,922
	Generation Capacity Available (MWs) by 2024	1,292
	Energy Produced Annually (MWhrs) – Total by 2024	9,049,146
	Average annual growth rate (%) (of last 3 years)	5.9
	Average Cost per kWhr (cUSD)– Thermal, Renewable	5.95
	Energy Imported Annually (MWhrs) – Total by 2024	82,223
	Average annual growth rate (%) (of last 3 years)	6.3
	Average cost per Kwhr (cUSD)	35.33
	Energy Exported Annually (MWhrs) – Total	2,209,712
	Average annual growth rate (%) (of last 3 years)	10.5
	Total revenue (USD)	237,006,647
	Transmission Network (HV, MV), Total: Length (km); Voltage (kV): Transfer Capacity – MVA	5,289
	Rehabilitation:	
	Expansion:	
	Distribution Network (LV), Total: Length (KM); Voltage (KV): Transfer Capacity – MVA	3,360
	Access to energy % (electricity and clean cooking)	60.2% (50.6% on grid & 9.6% off grid)
	Number of new on grid connections	412,363
	Households	395,622
	Commercial (SGR)	16,739
Axis 2: Regional integration	**Transmission Interconnectors** (HV), Total: Length (KM); Voltage (KV): Transfer Capacity – MW/MVA	
	Energy traded in Bi-lateral Power Purchase Agreements / MOU: (MWh)	1,949,791

	Energy Traded in Power Pool: (MWh)	259,921
	Transmission Wheeling Charges (USD per Kwhr)	
	Payables (arrears) / Receivables (USD)	
Axis 3: DRE / Clean Cooking	Number of mini-grids connections (2024)	3,936
	Number of Solar Home Systems (2024)	175,235
	Number of Clean Cooking Connections LPG (2024)	900,000
Axis 4: Private Sector Participation	Total Investment Required to Meet 2030 Energy Compact Goals / Targets - Public / Private. (USD million)	11,090/7,096
	Total Investment Available as of 2024 – Public / Private)	0
	Investment Gap to be mobilized each year up to 2030 - Public / Private (based on Government priorities and sequencing) (Domestic and International)	11,090/7,096
	Total (Private) investment needs by 2030 (USD, percentage) -split (by Grid, mini-grid, off-grid) and clean cooking); split (by generation, transmission, distribution and access) (Domestic and International)	
Axis 5: Sector Reforms and Sustainable Utilities	Utility financial profitability (per audited accounts) – Net income/loss (US$ amount and US$/kWh) for Discos, Transcos, Gencos	
	· (Regulator) Tariff policy, average end-user tariffs (per Kwhr) and trajectory to full cost reflectivity (current % of recovered costs to achieve 2030 target)	
	Total Subsidy Amount (USD)[3]; Path/Timelines to full cost reflectivity[4] (estimate);	
	Aggregate Technical Commercial & Collection (ATCC) Losses: % reduction targets per year.	1.9
	Number of metered / unmetered customers	
	Number of prepayment meters	3,613,779
	Load shedding (e.g. average number of hours per day and/or estimated lost MWhrs per annum).	

Additional - Cross-Cutting for consideration	Capacity Building requirements (US$) (at all levels)
	Alignment of Power Sector Least Cost Expansion Plans to country Long Term Strategies and NDCs
	Household Affordability (i.e. % level of household disposable income available to be spent on energy services and/or % of Households Receiving Energy Subsidies)
	Jobs: e.g. Track the number of jobs created for Youth and Women

ANNEX II
PROJECTS & INVESTMENT NEEDS

Generation projects

Name of the project	Region	Technology	Capacity (MW)	Status	Funding Requirement (USD million)	Secured Financing	Priority
Mphanda Nkuwa	Center	Hydropower	1500	Concession Contract Signature Planned for 2Q2025	USD 4.5 billion (including transmission line)	ítially	Yes
Lugenda	North	Hydropower	150	Concept Stage	To Defined FS	No	Yes
Lúrio	North	Hydropower	120	Concept Stage	To Defined FS	No	Yes
Alto Malema	Center	Hydropower	60	Concept Stage	To Defined FS	No	Yes
Mugeba	Center	Hydropower	150	Concept Stage	To Defined FS	No	Yes
Massingir	South	Hydropower	18	Feasibility Study Ongoing	To Defined FS	No	Yes
Tsate	Center	Hydropower	50	Feasibility Study Completed	MEUR 200	Under Discussion	Yes
Mavuzi II	Center	Hydropower	18	Feasibility Study Completed	MEUR 70	Under Discussion	Yes
Ruo	North	Hydropower	85	Concept Stage	To Defined FS	No	Yes
Temane (EDM)	South	Gas	100	Feasibility Study Ongoing	To Defined FS	Under Discussion	Yes
Temane (CTT)	South	Gas	450	Under Construction	MUSD 650	Yes	Yes
Dondo	Center	Solar PV	40	Under Tendering	MUSD40	No	Yes
				PPP model within PROLER tender (launched in 2020)			
				UE provided guarantees to achieve a competitive price			
Manje	Center	Solar PV	40	Feasibility Study Completed. Under Tendering	MUSD 40	No	Yes
				PPP Model within PROLER tender (launched in 2022)			

Cuamba	North	Solar PV	30	Feasibility Study On-going	MUSD 42	No	Yes
Chimbunila (Lichinga)	North	Solar PV	30	Feasibility Study Completed. Under Tendering	MUSD 40	No	Yes
				PPP model within PROLER tender (launched in 2022)			
Namaacha	South	Wind	120	Feasibility Study Completed	-	Yes	Yes
Jangamo	South	Wind	60	Feasibilty Study Ongoing	To Defined FS	No	Yes
				PPP model within PROLER tender (expected to be launched in 2025)			
Program Get. Fit	National	Solar/ Wind and Hydropower	130	Small Projects between 4-15MW	Euros 45 Milhoes Secured by KfW and UE	Yes	Yes

Transmission projects

Name of the project	Location	Description	Status	Funding requirement (USD million)	Secured financing	Priority
Nacala Porto Substation, 2x40MVA, 110/33kV	Nampula Province	Realocation of the existing Nacala Substations, 110/33kV	Concept Stage	18	No	Yes
Matema Substation, 2x40MVA, 66/33kV	Tete Province	Construction of New Matema Substation; Loop – in – and – Out Tete – Manje 66kV Transmission Line.	Concept Stage	38	No	Yes
Anchilo Substation, 2x40MVA, 110/33kV	Nampula Province	Construction of New Anchilo Substation; Loop – In – and – Out 110kV Nampula – Metoro Transmission Line.	Concept Stage	22	No	Yes
Triunfo Substation, 2x40MVA, 66/33kV	Maputo City	Construction of New Triunfo Substation Tx 66kV SE Matalane - SE Grande Maputo Tx 66kV SE Costa de Sol - SE Triunfo Tx 66kV SE Triunfo - SE 5	Concept Stage	75	No	Yes

Lingamo Substation, 2x40MVA, 66/33kV	Maputo Province	Construction of New Lingamo Substation Uprate of Matola 275 - Lingamo - Boane, 66kV Transmission Line 120MV	Concept Stage	15	No	Yes
Bobole Substation 2x40MVA, 66/33kV	Maputo Province	Construction of New Bobole Substation; Tx 66kV Bobole – Matalane Tx 66kV Bobole – Manhiça	Concept Stage	17	No	Yes
Canangola Substation 2x40MVA,66/33kV	Tete Province	Construction of New Substation at Canangola 2x40MVA, 66/33kV	Under Implementation	38	Yes	Yes
Rehabilitation and Modernization of the Chimoio II and Chimoio I Substations	Manica Province	Replacement of aging and obsolete equipment, including power transformers and medium-voltage switchgear. Installation of modern protection, control, and automation systems. Refurbishment of the control room and improvement of auxiliary services (AC/DC systems, lighting, and fire protection). Upgrade of grounding systems and physical security measures. Integration of the substation into the national SCADA system.	Concept Stage	11	No	Yes
Ponta de Ouro Substation 2x40MVA, 66/33kV	Maputo Province	Construction of New Ponta de Ouro Substation, 66/33kV, 2x40MVA; Construction of New 66kV Transmission Line to Interconnect with the existing network.	Concept Stage	18	No	Yes
Total of transmission projects				**252**		

Green corridors

Name of the project	Location	Description	Status	Funding requirement (USD million)	Financiamento garantido?	Priority
Songo - Matambo 400kV Transmission Line	Tete Province	Construction of 400kV OH Transmission Line, from Songo to Matambo	Under Implementation	130	Yes	Yes
Center-South Backbone/MNK: Matambo - Inchope - Vilanculos 400kV transmission line and substations Parallel Cataxa-Matambo-Inchope-Vilanculos-Maputo 400kV transmission line and substations	Tete to Maputo	400kV OverHead Transmission Line, Matambo - Inchope – Vilanculos 400kV Overhead Transmission line, Cataxa-Matamo-Inchope-Vilanculos-Maputo	Feasibility Study Ongoing	1,250	No	Yes
Green Corridor Chimuara - Inhaminga - Inchope	Sofala Province	Chimuara - Inhaminga - Inchope/Dondo Transmission Line * 400kV Overhead Transmission Line, Chimuara - Inhaminga - Inchope; * 220kV Overhead Transmission Line, Inhaminga - Dondo.	Feasibility study completed	180	No	Yes
Green Corridor Chimuara – Nacala Phase III Alto Molocué – Namialo 400kV transmission line & substations Namialo – Nacala – Nampula 220kV transmission line & substations	Zambezia/Nampula Province	400kV OverHead Transmission Line, Chimura - Nacala (Phase II) Comprises the construction of 2 sections: *Alto Molocué - Namialo at 400kV *Namialo - Nacala - a - Velha at 220kV *Namialo - Nampula at 220kV	FS to be Updated	157	No	Yes
Metoro – Montepuez – Marrupa 220kV Transmission Line and Substations	Cabo Delgado/Niassa Provinces	Construction of 220kV OH Transmission Line Metoro - Montepuez - Marrupa Inc. the construction of New Substation at Montepuez	Feasibility Study Completed	80	No	Yes

		2x1250MVA, 220/110/33kV				
Maputo – Salamanga 400kV Transmission Line & Substations	Maputo Province	Construction of 400kV OH Transmission Line from Maputo SS to New Salamanga SS (Inc. Salamanga New Substation 2x250 MVA, 400/66kV)	Feasibility Study Completed	75	No	Yes
Namialo – Metoro 400kV Transmission Line & Substations	Nampula/Cabo Delgado Provinces	Construction of 400kV OH Transmission Line from Namialo to Metoro Substation, incl. the extension the New Substation at Metoro	Feasibility Study Completed	87	No	Yes
Metoro – Palma 400kV Transmission Line & Substations	Cabo Delgado Province	Construction of 400kV OH Transmission Line from Metoro to Palma, Incl. New Substation at Palma 2x250MVA, 400/220kV	Feasibility Study Completed	65	No	Yes
Dondo - Manga 220kV Transmission Line	Sofala Province	**Phase I:** * Dondo - Manga 220kV Transmission line **Phase II:** * Manga - Airport/Nhangau Substation 110kV Transmission Line * Airport/Nhangau - Munhava Substation 110kV Transmission Line	Conceptual Stage	86	No	Yes
Vilanculos – Massinga 110kV Transmission Line & Substations	Inhambane Province	Construction of 110kV OH Transmission Line from Massinga - Vilanculos	Under Implementation	39	Yes	Yes
Total of Transmission Projects				**1089**		

Regional integration projects

Name of the project	Location	Description	Status	Funding requirement (USD million)	Financiamento garantido?	Priority
Mozambique - Malawi interconnector	Mozambique/Malawi	Construction of 218km of 400kV OH Transmission from Matambo (Mozambique) to Phombeya (Malawi)	Mozambique's line 60% completed Substation 80% completed Malawi line 90% completed	127	Yes	Yes
Mozambique – Zambia Interconnector	Mozambique/Zambia	Matambo (Mozambique) – Chipata West (Zambia) 400kV Transmission Line & Substation	Feasibility Study Completed	412	No	Yes
Mozambique – Tanzania	Mozambique/Tanzania	Palma (Mozambique) – Mtwara (Tanzania) 400kV Tansmission Line & Substation	Under development	To Be Defined FS	No	Yes
Mozambique – Zimbabwe	Mozambique/Zimbabwe	Inchope – Orange Grove 400kV Transmission Line & Substation	Concept Stage	To Be Defined FS	No	Yes
Total of Transmission Regional Interconnection Projects						

ANNEX III
ONGOING ACTIVITIES AND SUPPORT FROM DEVELOPMENT PARTNERS

Due to the numerous ongoing activities and projects to support the energy sector in Mozambique, only projects over USD6 million and related to energy access, grid infrastructure, policy and strategy, and power generation have been included in this list.

Development Partner	Project Name	Timeline	Project Description	Funding
AfDB, EU, GER (KfW), SWE	National Control Center	2022 - 2027	Construction of national control and 2 regional control centers to manage and monitor the national grid	EUR 57 million
AFD, AfDB, EU,	Cahora Bassa Rehabilitation	2024-2027	Rehabilitation of HCB infrastructure	EUR 222 million
AfDB, EU, GER (KfW), SWE	National Control Centre	2022-2027	National and regional control center construction	EUR 57 million
AfDB, JICA, IsDB	Chimuara-Nacala Transmission (phase 1)	2020-...	Transmission network expansion in Northen and Eastern regions	EUR 620 million
AfDB, IsDB, NOR, WB	Temane Transmission Project	2015 - 2025	560-km, 400-kV single-circuit HVAC transmission, associated three 400-kV substations and expansion of Maputo substation	USD 537 million
EU, EDFI	ElectriFi Mozambique	2023 - 2037	Access to reliable, affordable and sustainable electricity and energy services with emphasis on DRE. Leverage private funds providing different financial tools	EUR 15 million
EU, KfW, NOR, WB	Mozambique-Malawi Interconnector	2008 - 2025	Connecting Malawi to SAPP through new transmission line between Matambo (Tete) and Phombeya (Malawi).	EUR 127 million
EU, GER (KfW)	Get. Fit Mozambique	2023 - 2024	Stimulating private investments into renewable energies through financial incentives, risk mitigants and TA facility	EUR 45 million
EU, NOR, SWE, WB	ProEnergia	2020 - 2024	Supports on-grid connections implemented by EDM.	EUR 148 million
FCDO, SWE	BRILHO (Energy Africa)	2019 - 2026	Working with government and private sector to build the market for Improved Cook-Stoves, Solar Home Systems, Mini-Grids, and productive energy systems.	EUR 45 million
GIZ, CH, GER, NOR, NL	Energizing Development (incl FASER RBF)	2009 - 2026	Energy access to more than two million people through grid densification, village mini grids based on hydropower plants, solar lanterns, SHSs and Improved Cookstoves.	EUR 42 million
IFC, OFID, US DFC	Central Térmica de Temane	2019 - 2024	Private Sector project. Development, construction, and operation of a 450 MW Gas-Fired Power Plant	USD 100 million
EU, NOR, SWE	Reconstruction of Awasse sub-station	2023-2026	Electricity infrastructure reconstruction and repair	EUR 16,7 million

AFD, EU, KfW, SWE, EIB	Tsate Hydropower project	2023-2026	A New 50 MW hydropower station on Revué river	EUR 200 million
GER (KfW), NOR	Short-Term Investment Programme	2017 - 2024	Emergency project for rehabilitation of substations and transmission lines Southern and Central region	EUR 43,91 million
GER (KfW)	Green People's Energy	2022 - 2032	Stimulating private investments into solar PV + storage mini-grids through financial incentives, promotion of productive use and TA facility	EUR 23,50 million
NOR, SWE, WB	ProEnergia Plus	2023 - 2027	Financing connections to the national grid and off-grid solutions, including clean cooking and broadband.	EUR 343 million
NOR, SWE	Beyond the Grid Fund for Africa (BGFA)	2019 - 2023	Financing initiatives for renewable energy mostly off-grid.	EUR 10,53 million
NOR, SWE, WB	ProEnergia+	2023-2027	Flagship program phase 2 for grid and off-grid connections	EUR 343 million
SWE	Vilanculos phase 2	2018 - 2022	Rural electrification Vilanculos area. Transmission and distribution lines.	EUR 39,85 million
AfDB, WB	Songo – Matambo project	2024 - 2028	Phase 1 of green corridors, aiming Strengthen Transmission Infrastructure between Songo – Cataxa-Matambo	USD 133,00 million
NOR	Institutional cooperation MIREME	2016-2027	MIREME/ARENE governance and skill enhancent	EUR 7.5 million
EU, SWE, EIB, GER(KfW)	Nampula Angoche TL and Rural Electrification	2023-2026	Nampula Angoche transmission line construction	USD 50 million
EU, SWE, EIB	Massinga Vilanculos TL	2025-2028	Upgrade transmission line to 220kV and rehabilitation/construction of substations	USD 50 million
DFC	Central Termica de Temane	2021-2025	Improving Mozambique energy mix infrastructure	USD 200 million
DFC	Namaacha wind farm	2024-2026	Support utility-scale wind farm development in Namacha	USD 99 million
OFID, ISDB	Chibuto – Dzimbene TL and Vilanculos – Temane TL	2023 - 2025	Strengthen Transmission Infrastructure and alternative corridors for CTT generated power	USD 20.0 million
Belgium	RERD 2	2018-2025	Development of mini-grids and mini- Hydro in off-grid areas	USD 20 million
JICA	Nacala Emergency Power Plant, 40MW	2024 - 2026	Construction of dual fuel (Gas/Diesel) power plant	USD 45.0 million

EU and GER	Global energy transition - GET.pro (GET.invest and GET.transform)	2025 - 2028	Support on climate policy and energy transition	EUR 13 million
Sida	GeraSol	2024-2028	Soft and technical skills development and job creation opportunities in the solar industry with a focus on SHS, GMG and PUE in Niassa, Nampula and Cabo Delgado	EUR 6.3 million
Sida	+SOL	2024-2028	Accelerating the mini-grids market in Mozambique through a close collaboration with government and private sector. The mini-grids infrastructure is to be developed nationally, starting in Tete, Zambezia, and Niassa	EUR 10 million
GER (KfW)	Multi-Technology Site for Renewable Energy Cuamba-Lichinga	2026-2029	Rehabilitation of Cuamba and Lichinga hydropower plants and expansion into multi-technology sites by installing also solar PV, Niassa Province	EUR 17 million

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