REPUBLIC OF MOZAMBIQUE
MINISTRY OF MINERAL RESOURCES AND ENERGY

Powering Mozambique's Future: Opportunities for Sustainable Energy Partnerships

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Why investing in Mozambique?

Why invest in Mozambique?

Track record of large scale private investment	Over the next decade, around 2.5 GW of new generation capacity with the commissioning of the following power plants: • Temane 450 MW CCGT • Mpanda Nkuwa Hydropower 1500 MW • Renewable energy auction programs (90 MW Solar, 60MW wind and 130MW mini-grids) • Wind Power Plant in Namaacha 120MW
Enabling legal and institutional environment	• Updated Electricity Law (No12/2022) enabling private investment and competitive procurement • Investment Law (No. 8/2023) and regulation (Decree No. 8/2024) to improve investment and fiscal frameworks • Off-grid regulation approved in 2021 to promote private sector participation (mini-grids and SHS) • "Energy for all (PROENERGIA)", launched in 2018 with aim to achieve universal access by 2030. 600,000 connections (on and off-grid) achieved in 2024 • Energy Transition Strategy approved in 2023, to accelerate renewable generation, green industrial development, universal energy access and green transport
Strategic role on regional integration	• Multiple interconnectors within the region, with exports accounting for almost 50% of domestic production • Mozambique contributes with 45% of the energy in the regional Day Ahead Market (DAM) and bilateral contracts • New Interconnectors with other neighbouring countries underway (Moz-Malawi, Moz-Zambia, Moz-Tanzania, Moz-Zimbawue)

Powering energy future

Natural resources development: Vast renewables potential (Hydro, Wind, Solar), critical minerals and significant natural gas, including Africa's largest LNG investment ($20 billion Mozambique LNG project) which can be leveraged for green Industrialization

Create social, economic and financial inclusion, unlocking productive uses of energy: increasing energy access in rural areas provide opportunities for jobs creation and economic development

Clean power for modern energy system and green industrialization: A green energy matrix with majority of the energy mix based on firm, clean and affordable hydroelectric power, complemented by natural gas, solar and wind

Challenges and Opportunities

Challenges & opportunities

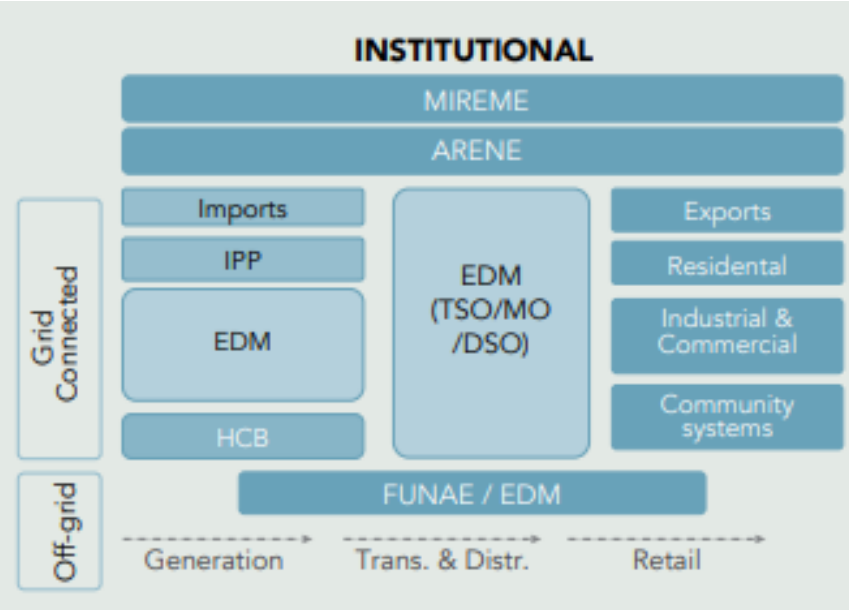
	Challenges	Opportunities
Energy Infraestructure	• Lack of connectivity between North, Center and South region • Grid expansion and reinforcement to absorb renewables projects • Strengthening the institutional and regulatory framework	• Backbone (2,000 km 400 kV transmission line) • Mphanda Nkuwa ($5bn hydropower project 1,500MW) • Renewable projects (solar, wind and hydro) • Regulatory reforms to strengthen the enabling environment (Update Master Plan, System Operator, Market Operator, Competitive procurement)
Regional Integration	• Deficit of transmission interconnection • Lack of generation capacity to trade	• Diverse and abundant natural energy resources for power generation • Favourable geographic location to access the regional market • National Control Center (on going)
Universal Energy Acces and clean cooking	• Low end user affordability • Highly disperse population • Limited access to local financing	• Significant market size • Availability of financing facilities • High potential of Productive use • Carbon markets

Challenges & opportunities

	Challenges	Opportunities
Incentivize private sector participation	• Adequate security/guarantees structures • Currency risk • Need of bankable feasibility studies	• Operationalizing regulatory framework for on grid and off grid • Competitive procurement for new generation projects • Leverage on multilateral guarantees instruments • Advisory transaction support and build capacity for project structuring and development
Financially Viable and Competent Utilities	• Continuing reducing total losses • Addressing utility legacy arrears • Implementation of the approved tariff methodology to be cost reflective • Export prices aligned with market prices	• Promote bilateral PPAs at market prices in stable currency • Update the Financial Strengthening Plan (FSP) and Loss Reduction Plan (LRP) • Utility to achieve efficient cost recovery

Energy sector overview

Institutional Structure of the Energy sector



Ministry of Mineral Resources and Energy (MIREME):

- Regulates and supervises the Energy Sector
- Formulates Energy Policy and monitors policy implementation.

Energy Regulatory Authority (ARENE)

- Established in 2017 with the mission to supervise, regulate, represent, control and sanction all electricity operators.
- Economic Regulation (Tariff-Setting), Technical Regulation (Quality of Service), Institutional Capacity, and Energy Efficiency Development.

Energy Fund (FUNAE)

- Established in 1997
- 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.

In Mozambique there are **three main electricity companies**:

- **Electricidade de Moçambique (EDM)** is the public utility responsible for transmission, distribution and a large share of the country's generation;
- **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
- **Mozambique Transmission Company (MOTRACO)** which is an Independent Transmission Company responsible to wheel power to Eswatini, Mozambique. MOTRACO is equally owned by Mozambique (EDM), Eswatini (EEC) and Eskom by 33,3% each.

Energy Sector Overview

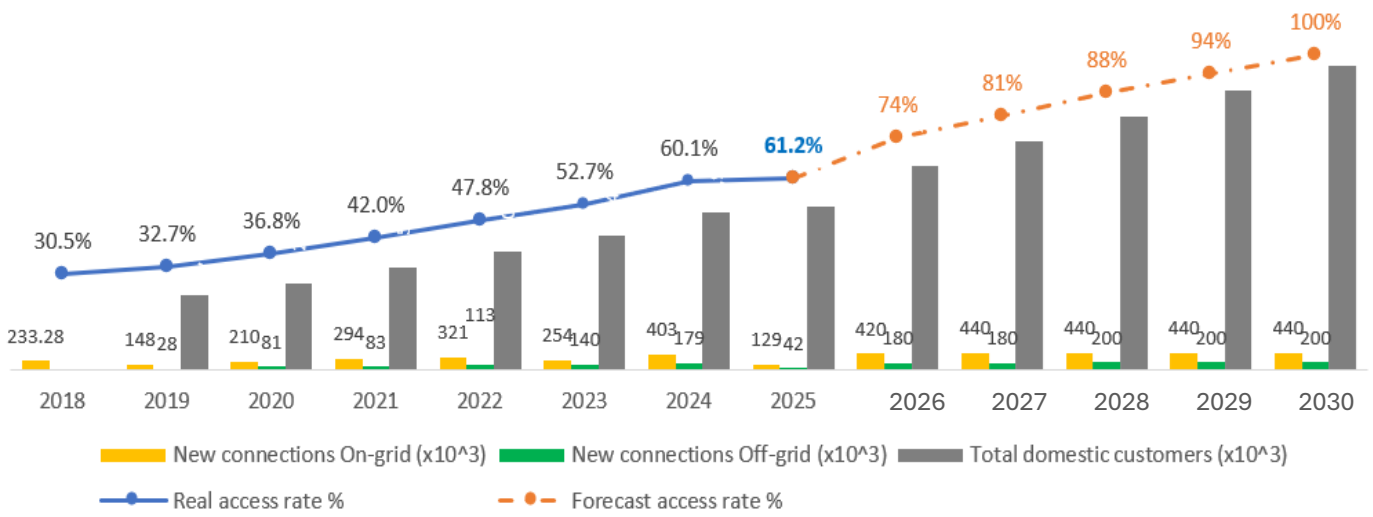
Electrification

In October 2018, the President launched the National Electrification Strategy (**NES**) to be implemented through Programa Nacional de **Energia para Todos** (***National Program Electricity for All***), bringing momentum toward Mozambique achieving universal electricity access by 2030.

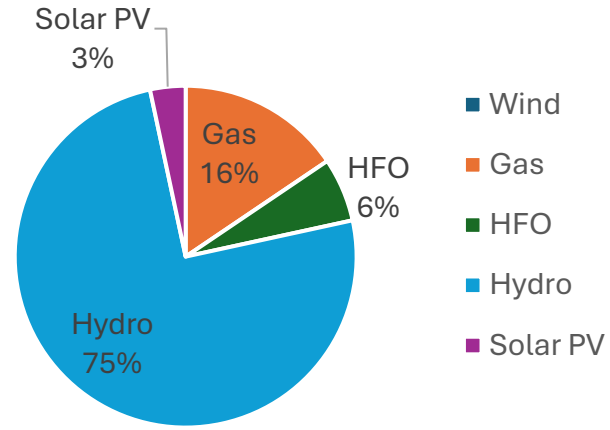
Accomplishments to date

Mozambique's access to electricity has **steadily increased over the past three years**. The percentage of Mozambicans with access to grid electricity has seen an improvement, rising from **31% in 2018 to *64.6% to date***. Last 2 years, it **overpassed 400k connections/year**

Energy access (% and number of connections)



Energy mix (% Installed capacity, 2024)



Energy Sector Overview|Transmission

Transmission grid today

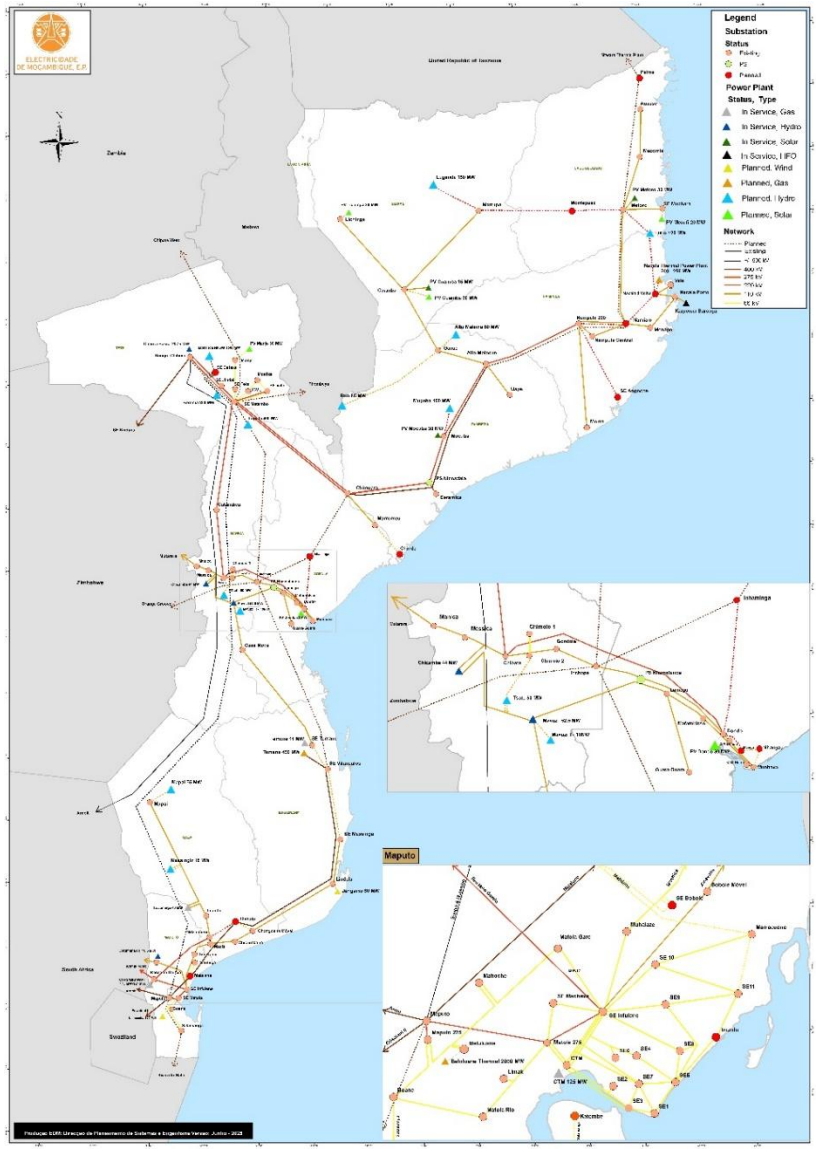
- Operated by EDM. Subdivided into three parts: **Northern region, Central region and Southern region with approximately** 5,679 km of high-voltage lines—of which only 367 km are at 400 kV—

Future transmission grid

- It is essential to **connect the production from the Central region** where the Hydro potential is located to:
  - **Northen region** where the gas production is located, and potential industrial development is envisaged
  - **Southern region (**Maputo) where the highest demand is concentrated and where the Southern African Power Pool (SAPP) is interconnected
- Mozambique is establishing a **National Control Center** and **3 regional dispatch centers** (North, Center and South)

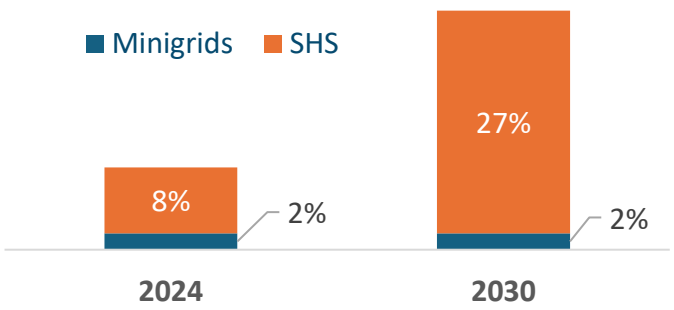
Current activities

- Chimuara - Alto Molocue (368km)
- Temane – Maputo 400 kV (523km) Transmission Line under Commissioning
- Mozambique – Malawi (MOMA) (142km) interconnection
- Songo – Cataxa – Matambo 400kV line (118km) (Green Energy Corridors Project – GECP)



Energy Sector Overview|Offgrid and clean cooking

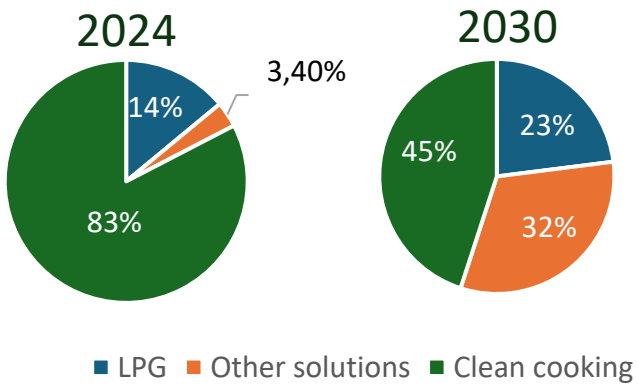
Off grid energy access



Achievements to date

- More than **98 Mini-grids (11.6MW)**
- More than **434 000 solar home systems (SHS)**
- More than **442.185 connections**
- **$143m** mobilized from donnors
- **$94m** funded by the **Govern** through State budget
- **Off-grid regulation** approved in **2021**
- **Off-grid plan** approved in **2023**

Clean cooking access



Achievements to date

- **~1 million** LPG bottles distributed
- **~0.5 million** other clean cooking solutions

Financing mobilized

- LPG-**$9.5 m**
- Other clean cooking solutions**> $7 m**
- Subsidies and Grants
- Results based financing
- Technical assistance

Policy and Regulation

Planning Instruments

Approved and in force

Under revision

- Integrated Master Plan of Energy Infraestructures (2018-2043)
- National Electrification Strategy 2018
- Energy Efficiency Strategy and Actionn Plan 2023-2033
- Energy Transition Strategy 2023-2050
- LPG Massification Strategy 2022
- Electricity Plan for Off-grid areas – 2023
- Mozambique's Energy Compact- 2025

Under elaboration

- Clean Cooking Strategy and Roadmap
- LPG Investment Plan
- Least Cost Integrated Energy Plan

Legal and regulatory framework

Approved

- Electricity Law nº12/2022
- Regulation on Access to Energy in Off-Grid Areas, Decree n.º 93/2021
- Code of renewal energies, Ministerial Diploma nº119/2023
- Regulation approving the tariff system of the National Electricity Grid

General Regulation of the Electricity Law

Submitted to the Council of Ministers for approval

- ✓ Concessions Regulation
- ✓ Regulation on the Universal Access Rate

Pipeline

- ✓ System and Market Operator
- ✓ Specific Energy Efficiency Regulation
- ✓ Supplementary Services Regulation
- ✓ Regulation on storage standards

Mozambique has a unique opportunity to accelerate economic growth…

Presidential Orientation

Mozambique has already defined a clear strategic orientation, led by His Excellency the President of the Republic, to transform the energy sector into an engine of national development.

"Where there is energy, development flourishes. And we want development to flourish"
His Excellency the President of the Republic, recently during the Ceremony of the 18th Anniversary of the Reversal of the Cahora Bassa Hydroelectric Plant (HCB)

The Unique Opportunity

By 2032, Mozambique is well positioned to transform its vast energy resources into a competitive advantage, driving clean industrial development and strengthening its role as a regional energy hub, with the potential to generate lasting benefits for its people

Driving Factors in demand

- **HCB's** energy **availability**
- **New generation** assets (e.g. Temane & Mphanda Nkuwa)
- **Energy resources still to be developed** (Gas and Hydro)

Drivers of demand

- **Regional energy deficits**
- **Competitive renewable base load power for the industries**
- **Global demand for low-carbon energy and Mozambique's mineral resources**

… through strategic reforms

Objectives to position the energy sector as an engine of revenue and economic growth

1. The value of the energy generated is captured for the benefit of all Mozambicans.
2. Auditability and transparency of financial flows in the sector
3. Future investments in the sector are made on the basis of the lowest cost criterion
4. Transition to a system of best practices and market operation to manage the energy system

IMPLEMENTATION OF STRATEGIC REFORMS IN THE SECTOR

Reform 1: Adopt **a new strategic approach to electricity trading** decisions in best interest of Mozambique

Reform 2: Establish an **economic regulatory framework** to ensure that the benefits of the country's energy wealth are retained in Mozambique.

Reform 3: Adopt **a process to ensure the implementation of the** Investment **Master Plan** based on **the lowest cost**

Reform 4: Create the **National Electricity System Manager (GSEN),**

- **System and Market Operator**
- **Efficient planning**

Flagship project pipeline

Flagship project pipeline

Hydro

- Mphanda Nkuwa (1.5 GW)
- HCB Norte
- Tsate (0.5 GW)

Solar & Wind

- PROLER (solar 90 MW +Wind 50 MW)
- Get.Fit (Solar 25MW +30-40 MW Hydro)
- Namaacha (120 MW)

Gas (transition)

- Temane Thermal Plant (450 MW)
- Temane (75+40 MW)

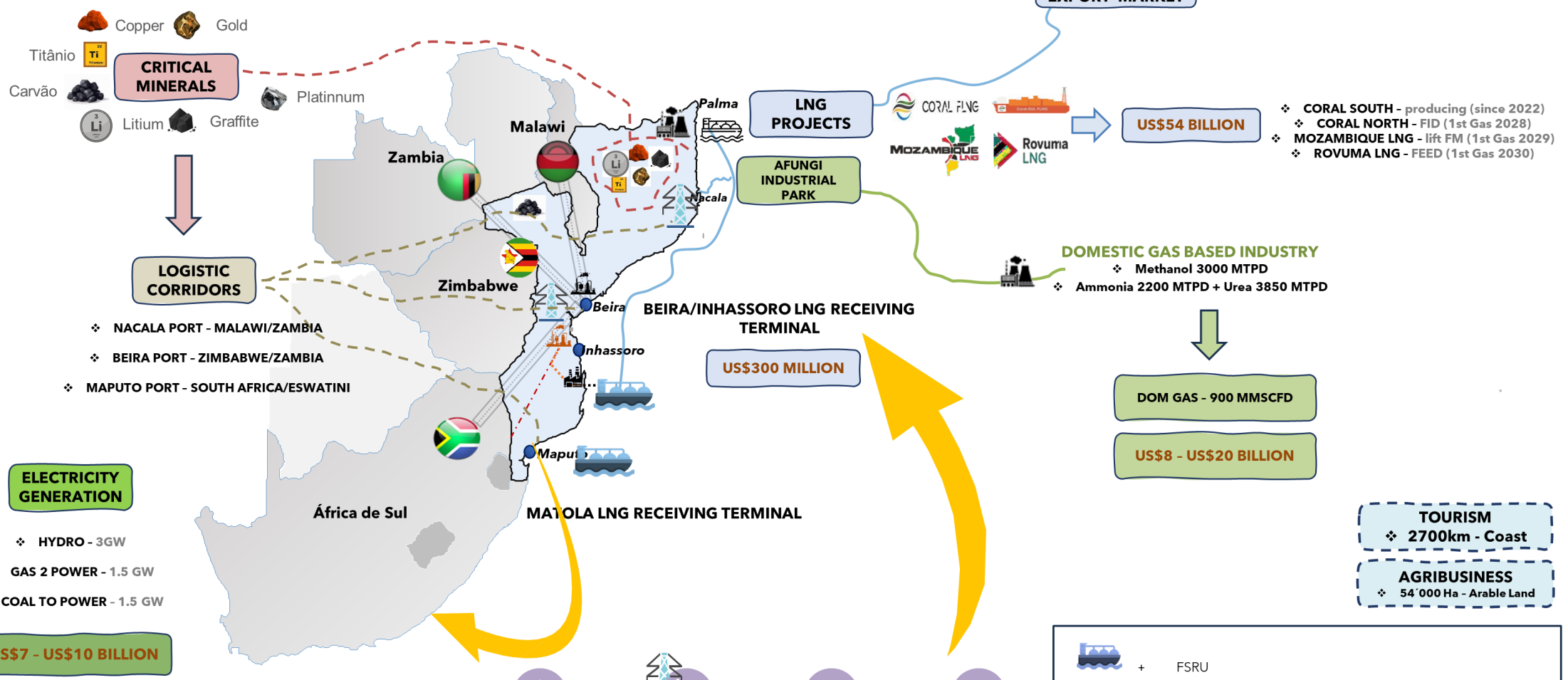
Transmission

- Centre–South Backbone
- Songo – Matambo
- Chimuara–Nacala corridor
- Interconnectors (Malawi, Zambia, Zimbabwe, Tanzania)

Investor entry points

- **Project Preparation**
- **Competitive procurement (IPPs)**
- **EPC/O&M**
- **Blended finance & guarantees**

Mozambique opportunities- Energy hub



The opportunity

Funding needs to meet energy sector priorities

De-risking and guarantees

Public-Private Partnerships (PPP)

Target of USD 18.6 billion

Concessional financing and Grants

Carbon credits and climate funds

US$ Million	Generation	Transmission	Rehab. HCB	Last-mile connections on-grid	Off-grid	Clean cooking	Technical assistance	Total
Public	500	4,300	300	3636	574	246.5	367	9,923
Private	7,342	500	100	-	509	246.5	0	8,698
Total	**7,842**	**4,800**	**400**	**3636**	**1,083**	**493**	**367**	**18,620**

Source: Mozambique's various policy instruments

A track record of trust: EU + Member States financing

EU and member states portfolio aligned with aligned with Mozambique's priorities.

Total portfolio	Ongoing	Pipeline	Completed
€1.74B	€1.03B	€574M	€136M

Portfolio by status

	EUR (m)
Ongoing	1,030
Pipeline	574
Completed	136

Portfolio by sub-sector

	EUR (m)
Power generation	626.4
Access to energy	539.4
Grid infrastructure	469.8
Thematic support	52.2
Policies & strategies	34.8
General capacity building	17.4

What we look from partners?

Support our ambition to raise billion ambition by delivering

Competitive capital

Long-term financing

Innovative solutions

Delivery models that scale financing and compentitiveness

Local partnerships

Develop and strengthen Mozambican supply chains and skills.

Sector/infrastrucutre leaders

MDBs, DFIs, International funds, private sector investors, development agencies

Early engagement

Fast track projects by engaging early with the GoM

Crowd-in finance

Develop blended structures, guarantees and results-based approaches.

The proposed pathway for investors and partners

Near term (0–24 months)

- Partner with **local developers, mini-grid concession tenders**, partnership with the **national institutions** (EDM, FUNAE)
- Support **project preparation** and **feasibility studies**
- **Engage MIREME/ARENE** for regulatory guidance and clarification
- Explore **blended finance and de-risking** options **early**

Medium term (>24 months)

- Bid in **IPP tenders** (on-grid renewables)
- Finance **priority grid infrastructure** and **interconnectors**
- Scale up "**Energy for all**" (access + productive use)
- Support implementation of the **Energy Transition Strategy**

Takeaway: early engagement increases bankability and speeds up financial close

Thanks for your attention

Anexes

Gas projects-General overview

Coral Sul FLNG – Área 4

- PdD aprovado em 2016:
- Gás *in-situ* :17,7 TCF;
- Capacidade produção de FLNG: 3,55 MTPA;
- Início da Produção de GNL: Outubro de 2022;
- Produção Cumulativa @ Dezembro 2025:
  - GNL: 9,75 MT;
  - Cond: 3,90 Mbbl
- Total Exportado:
  - GNL: 9,68 MT @ 135 cargos
  - Cond: 4,87 Mbbl @ 19 cargos

Coral Norte FLNG – Área 4

- PdD aprovado em Abril de 2025;
- Gás *in-situ* :17,7 TCF (o mesmo reservatório que Coral Sul FLNG);
- Capacidade produção de FLNG: 3,55 MTPA;
- Fornecimento de até 25% de Gás Natural ao mercado doméstico.

Golfinho/Atum – Área 1

- PdD aprovado em 2018;
- Gás in situ: 31,3 TCF
- Capacidade de Produção de GNL: 13,12 MTPA;
- Fornecimento de 400 MMSCFD para o Mercado doméstico;
- Levantada Força Maior em Novembro.

PPA – Pande/Temane

- PdD aprovado em 2001;
- Gás *in-situ:* 4,4 TCF;
- Capacidade do CPF: 197 MGJ/a;
- Inicio da Produção em 2004
- Produção cumulativa @ Dezembro 2025
  - GN: 3.304,02 MGJ;
  - Cond: 9,04 Mbbl;
- Fornecimento de 36 MGJ para o Mercado doméstico.

Rovuma LNG – Área 1

- PdD aprovado em 2019;
- Gás *in-situ*: 53,1 TCF;
- Capacidade de Produção de GNL: 15,2 MTPA;
- Fornecimento de 500 MMSCFD para o Mercado doméstico;
- Em condição Suspensiva.

PSA – Inhassoro/Temane/Pande

- PdD aprovado em 2016;
- Gás *in-situ:* 1,9 TCF;
- Capacidade de produção de IPF:
  - **Petróleo leve:** 4 000 bbl/d
  - **Gás Natural-** 23 PJ/a
  - **GPL-**30 000 ton/a
- Produção cumulativa @ Dezembro 2025:
  - Gás Natural: 32,20 MGJ
  - Condensado: 0,14 Mbbl