

Mini-grids in Mozambique

Sustainable Energy Fund for Africa (SEFA) - Technical Asistance



Promotion of Renewable Energy in Mozambique

African Development Bank

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Universal Access to "Lighting!" — World Energy Outlook 2017





Modalities of connection

On-grid: Urban Areas

Mini-grid: Scattered but cocentrated settlements

Off-grid (mainly Solar home systems): A stand-alone house

Public Vs Private: Compare Banking & Mobile phones





What is SEFA

Sustainable Energy Fund for Africa: A multi-donor trust fund administered by AfDB to support small to medium scale renewable energy and energy efficiency projects in Africa.

These are small but clean energy projects that are potentially commercially viable but initial development costs are hinder the projects from accessing financing. The development objective is to support sustainable private-sector led economic growth in Africa through efficient utilisation of presently untapped clean energy resources. SEFA operates under three windows namely:

- Project Preparation: Grants for development activities from feasibility studies up to financial closure;
- Equity Investments: Provides access to early stage capital
- Enabling Environment: Provides grants to public sector activities aimed at creating/improving the enabling environment for private sector investments.

SEFA is also aligned with the SE4ALL Africa Hub which includes support to High Impact Opportunities for Green Mini-Grids



SEFA Windows

Project Preparation

- Access to Finance
- ❖Technical Assistance



Enabling Environment SE4ALL

- Equity Investments
- **❖Policy and Regulatory Development**
- ❖ Public Sector Support
- Capacity Building and Advisory
- ❖Market Development and Preparation
- ❖Private Equity Capital
- ❖Technical Assistance



SEFA in Mozambique

A) Promotion of Renewable Energy in Mozambique (under the Enabling Environment Window)

- Standard Power Purchase Agreements: Reduction in trasaction period
- Guidelines for grid connection of small RE and Guidelines for Investing in RE: What happens when the grid arrives; ownership model
- Tariff Structure and Design for Mini-grids and Technical Regulations for mini-grids: Co-operative model, light-handed regulation, etc.
- Environmental Regulations & Standards for Mini-grids: biomass-based fuels & deposal of solar panels & batteries; impact on flora/fauna for small micro/pico generation plants.
- Capacity Building: Usually the private sector is "more informed"

B) Considering a Preparation Grant for a Wind Project

Expected to reach financial closure in last quarter of 2018



Q & A.