

MOZAMBIQUE

PROLER: 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 is partnering with the local public power company 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. This project is a continuation of AFD Group's financing of the Metoro solar power plant in Northern Mozambique.

DESCRIPTION

The PROLER program assists Mozambique's national electricity company (EDM) 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 north near the cities of Dondo, Nacala, and Lichinga. A fourth site has been chosen for rolling out a wind power project.

To facilitate the implementation of these projects, AFD provides EDM and the Mozambican authorities with technical assistance for preparing and launching calls for tender. This includes conducting all feasibility studies and preliminary environmental and social studies. 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



This project is carried out with the support of the European Union

01/01/2018
Project start date

 Mozambique
Location

 Energy
sector(s)

 Delegation of European Union Funds
Guarantee
financing tool(s)

 37 700 000 EUR
Financing amount

 6 years
Duration of funding

ONGOING
Status

EDM public power company
Republic of Mozambique
Beneficiaries

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 300,000 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.

