



Mozambique: Renewable Energy Independent Power Producer (IPP) Projects

Developer Guide

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A NOTE TO THE READER

This Developer Guide is meant to be a 'reference document' to inform early market exploration. The Guide is supplemented with Model Business Cases accessible at www.get-invest.eu.

ABOUT GET.INVEST MARKET INSIGHTS

The first series of GET.invest Market Insights was published in early 2019 covering four renewable energy market segments in three countries, namely: renewable energy applications in the agricultural value-chain (Senegal), captive power (behind the meter) generation (Uganda), mini-grids (Zambia) and stand-alone solar systems (Zambia).

This **Developer Guide** aims to inform project developers, private sector technology suppliers, innovators and entrepreneurs about renewable energy (RE) independent power producer (IPP) opportunities in Mozambique. The Guide is organised into four main sections: **1)** introduction; **2)** description of the IPP market in sub-Saharan Africa, including an overview of the sector's development, enabling environment, financing mechanisms, key indicators for assessing IPP potential, and profiles of IPPs that are active in the region; **3)** examination of the market for RE IPPs in Mozambique, including a review of the country's RE potential and existing and planned IPP projects and programmes; and **4)** exploration of the "Route to Market" – i.e., how to leverage the market research presented in this Guide to set up an IPP project in Mozambique.

Accompanying this Guide are two corresponding **Model Business Cases**, which provide financial analyses for concrete business examples. The two Model Business Cases included in this package analyse: **1)** a 40 MWp solar IPP project without battery storage; and **2)** a 20 MWp solar IPP project with battery storage.

The GET.invest Market Insights summarise a considerable amount of data that may inform early market exploration and pre-feasibility studies. It is therefore recommended to cross-read this Developer Guide and the Model Business Cases for a comprehensive overview. The products are accessible at www.get-invest.eu.

ABOUT GET.INVEST MOZAMBIQUE

GET.invest is a European programme that mobilises investment in renewable energy, supported by the European Union, Germany, Sweden, the Netherlands and Austria.

Since 2019, to focus specifically on the Mozambican energy sector, the programme has been operating a country window in Mozambique funded by the European Union and Germany as part of PROMOVE ENERGIA – a comprehensive strategy between the EU and the Government of Mozambique to provide households and businesses in rural areas with access to sustainable and affordable energy. Find out more at www.get-invest.eu/get-invest-mozambique/.

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ABBREVIATIONS

| | | | |
|----------------|---|----------------|---|
| AEDC | Africa Energy Development Corporation | LCOE | Levelised cost of electricity |
| AFD | Agence Française de Développement | MCC | Millennium Challenge Corporation |
| AfDB | African Development Bank | MIREME | Ministério dos Recursos Minerais e Energia |
| ALER | Associação Lusófona de Energias Renováveis | MOTRACO | Mozambique Transmission Company |
| APIEX | Agência Para a Promoção de Investimento e Exportações | MW | Megawatt |
| ARENE | Autoridade Reguladora de Energia | MWp | Megawatts peak |
| CTF | Clean Technology Fund | MZN | Mozambican metical |
| CTRG | Central Térmica de Ressano Garcia | PPA | Power purchase agreement |
| DBSA | Development Bank of Southern Africa | PPP | Public-private partnership |
| DEG | German Investment and Development Corporation | PRG | Partial risk guarantees |
| DFI | Development finance institution | PROLER | Projeto de Promoção de Leilões para Energias Renováveis |
| EDM | Electricidade de Moçambique | RE | Renewable energy |
| EPC | Engineering, procurement and construction | REIPPPP | Renewable Energy Independent Power Producer Procurement Programme |
| EPRA | Energy and Petroleum Regulatory Authority | SADC | Southern African Development Community |
| ESIA | Environmental and social impact assessment | SAPP | Southern African Power Pool |
| EU | European Union | SPV | Special purpose vehicle |
| FEI | Facility for Energy Inclusion | STE | Sociedade Nacional de Transporte de Energia |
| FiT | Feed-in Tariff | T&D | Transmission and distribution |
| GET FiT | Global Energy Transfer Feed-in Tariff | TA | Technical assistance |
| GoM | Government of Mozambique | TW | Terawatt |
| HCB | Hidroeléctrica de Cahora Bassa | TWh | Terawatt-hour |
| HVDC | High voltage direct current | USAID | United States Agency for International Development |
| IFC | International Finance Corporation | USD | United States dollar |
| IPP | Independent power producer | VAT | Value-added tax |
| IRPC | Imposto sobre o Rendimento das Pessoas Colectivas | | |
| Km | Kilometre | | |
| kWh | Kilowatt-hour | | |

EXECUTIVE SUMMARY

Electricity in sub-Saharan Africa has largely been provided by state-owned utilities that are vertically-integrated (responsible for the generation, transmission, distribution and retail sale of electricity). In countries with private independent power producers (IPPs), which own and operate power stations, produced electricity is typically sold to the national grid. Between 1990 and 2013, IPPs accounted for 24% of total generation capacity (4,760 MW out of 19,844 MW) and 22% of total investment (USD 6.9M out of USD 31.3M) in power generation across sub-Saharan Africa, excluding South Africa.¹

There are wide-ranging benefits of deploying renewable energy IPPs, such as matching growing electricity demand, providing reliable and clean sources of energy that reduce greenhouse gas emissions from thermal power generation and offsetting utility investment costs for imported fossil fuels. In sub-Saharan Africa, some of the common challenges facing IPPs include an inadequate investment climate, unclear policy and regulatory frameworks, national utility off-taker credit risk and poorly maintained electricity grid infrastructure. To address these challenges, IPPs across the continent are increasingly taking advantage of concessional financing from donors, DFIs and bilateral partners (e.g., to support project preparation); partial risk guarantees (PRG); and various sources of private sector financing (debt and equity).

In Mozambique, under its “*Programa Nacional de Energia para Todos*” (Electricity for All National Programme), the government aims to achieve universal access to electricity by 2030 through a combination of grid extensions, densification and off-grid solutions. To achieve its target, the government adopted the National Electrification Strategy (NES) in 2018 to promote institutional and regulatory reforms for the electricity market. Additional legal reforms are planned through the New Electricity Law.

This Developer Guide explores the opportunity for RE IPPs in Mozambique to help the government meet its electrification targets, focusing on three technologies – solar, wind and hydropower. The Guide begins with a macro level view of the IPP sector across sub-Saharan Africa and then focuses specifically on the Mozambican market, including a review of RE technology potential, IPP development and existing donor support programmes and initiatives in the country.

At present, the national utility, Electricidade de Moçambique (EDM), which is responsible for the generation, transmission, distribution and retail sale of electricity, sources most of the country’s power from the Cahora Bassa hydropower plant (HCB). The remaining balance is supplied through a combination of gas-fired generation, heavy fuel oil, small-scale hydropower and solar energy. The EDM grid network is not yet fully interconnected, with three separate grids in the country’s southern, central and northern regions. Large-scale investments into transmission infrastructure are ongoing in an effort to improve reliability at the national level and export power at the regional level to the Southern African Power Pool (SAPP).

According to the Renewable Energy Atlas of Mozambique,² the country has abundant and diverse RE resources, led by hydropower, solar and wind energy. These three sources have an estimated cumulative total potential of 7.3 GW in pre-identified grid-connected projects, which remains largely untapped. As of 2023, Mozambique had an estimated 492 MW of installed capacity from IPPs, of which approximately 59 MW comes from renewable sources (excluding large hydropower). There is a pipeline of projects totalling approximately 836 MW under development through 2027, of which 436 MW will come from non-hydro renewables (solar and wind energy).³

1) Eberhard, A. et al., “Independent Power Projects in Sub-Saharan Africa: Lessons from Five Key Countries,” Directions in Development: Energy and Mining, World Bank Group, (2016): <https://openknowledge.worldbank.org/bitstream/handle/10986/23970/9781464808005.pdf>

2) Renewable Energy Atlas of Mozambique: <https://gestoenergy.com/project/renewable-energy-atlas-of-mozambique/>

3) See Table 5 for a list of IPP projects that are currently in operation and planned/in the pipeline for commissioning through 2027 in Mozambique.

This large pipeline of IPP projects will benefit from the support of two European programmes. The EU-funded Promotion of Auctions for Renewable Energy Project (Projeto de Promoção de Leilões para Energias Renováveis, PROLER) and the Germany-funded Global Energy Transfer Feed-in Tariff (GET FiT) Programme foster a competitive bidding process by the Mozambican utility for IPPs. These bidding processes, such as reverse auctions and tenders for concessions, have already achieved greater transparency, enabled lower tariffs and established standard contracting practices for IPPs in Mozambique.⁴

Local bank interest rates are considered high and as a result, IPPs logically opt for international financing as part of a direct foreign investment into a project. In addition, seven guarantee instruments are available in the country that offer the necessary mix of capital to make projects viable. To attract investment to the sector, the government has developed investment regulation operationalised by the Mozambican investment promotion agency, Agência Para a Promoção de Investimento e Exportações (APIEX), for projects with foreign direct investment to offer significant fiscal incentives, as described in [Section 4](#) of this Guide ('Route-to-Market').

The market for RE IPPs in Mozambique shows promise. Given the country's vast hydropower generation capacity through HCB and a growing number of IPPs adding to its energy mix, Mozambique is well positioned to meet growing electricity demand both domestically and across southern Africa.

This Developer Guide is complemented by two model business cases that analyse the financial feasibility of two hypothetical IPP projects: **1)** a 40 MWp solar IPP project without battery storage; and **2)** a 20 MWp solar IPP project with battery storage. This Guide has captured input from a wide range of market actors, partners and stakeholders, and therefore serves as a manual for the private sector. It also serves as a conversation starter to support collaborative work across Mozambique's IPP sector, to enable better financing options and to encourage national and international developers to engage in a growing sector.

4) "Briefing: Renewables in Mozambique 2022," Associação Lusófona de Energias Renováveis (ALER), (December 2022): https://www.lerenovaveis.org/contents/lerpublication/a4_resumo_renov_moz_2022_vfinal.pdf

SECTION 1

Introduction



Source: GIZ / James Ochweri

This Developer Guide is a reference document for project developers to inform early market exploration into renewable energy (RE) independent power producer (IPP) opportunities in Mozambique.⁶ The Guide describes the Mozambican electricity market, how it is positioned to absorb new production from renewable energy IPPs, and the capacity of the national utility (Electricidade de Moçambique, EDM) and the regulator (Autoridade Reguladora de Energia, ARENE) to manage IPPs. It explores how the electricity sector is organised, who the key market actors are, what business models are being deployed, who are the potential financiers, what financial returns might be expected, what the advantages and disadvantages are of Mozambique's current IPP regulatory framework and other opportunities and challenges that exist for RE IPP project development in the country.

The Developer Guide is organised into three main sections (following this introduction):

- 1) **Independent Power Producers in sub-Saharan Africa:** This section describes the IPP sector in sub-Saharan Africa;
- 2) **The Renewable Energy IPP Market in Mozambique:** This section looks specifically at the market for IPPs in Mozambique; and
- 3) **Route-to-Market:** This section explores how to leverage the market research presented in this Guide to set up an IPP project in Mozambique.

This Guide is part of a package of products under GET.invest Market Insights. Each package covers a certain renewable energy market segment and includes a 'how to' Developer Guide and corresponding Model Business Cases. There are two Model Business Case documents that accompany this Guide. The first Model Business Case is about a 40 MWp solar IPP project without battery storage, while the second case examines a 20 MWp solar IPP with battery storage.

6) "Project developers" refers to developers and/or investors interested in investing and/or developing IPP projects in Mozambique. This report provides developers with preliminary market information and other regulatory guidelines to better understand the enabling environment for IPP projects in Mozambique.

SECTION 2

Independent Power Producers in sub-Saharan Africa



This section describes the independent power producer (IPP) market in sub-Saharan Africa, including an overview of the sector's development, enabling environment, financing mechanisms, key indicators for assessing IPP potential, and profiles of IPPs that are active in the region.

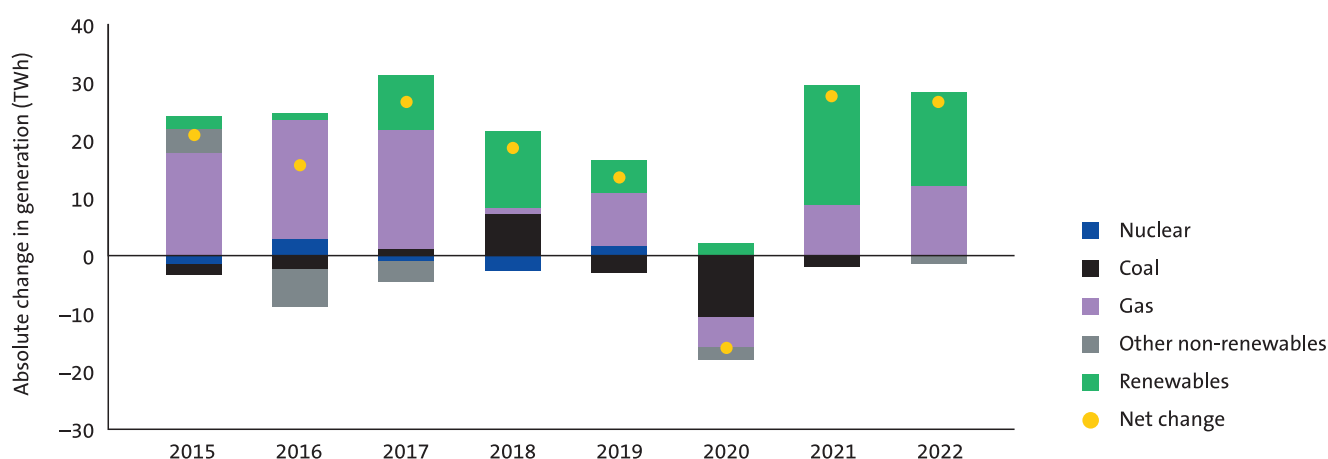
2.1 IPP MARKET DEVELOPMENT IN SUB-SAHARAN AFRICA

Electricity in sub-Saharan Africa has largely been provided as a public service by vertically-integrated (usually state-owned) utilities, responsible for the generation, transmission, distribution and retail sale of electricity. These state-owned utilities often find it difficult to keep up with rapidly growing electricity demand. This dynamic has led many governments to liberalise their electricity markets and allow private sector actors to add generation capacity. These private companies, known as IPPs, own and operate power stations and typically sell the electricity they produce to the national grid. In addition to adding new generation capacity, IPP projects can also expand or rehabilitate existing power projects.

Between 1990 and 2013, IPPs accounted for 24% total generation capacity (4,760 MW out of 19,844 MW) and 22% of total investment (USD 6.9M out of USD 31.3M) in power generation across sub-Saharan Africa (excluding South Africa).⁷ Between 2012 and 2014, the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in South Africa closed USD 14B in renewable energy IPPs, representing more than double the total investment in the rest of sub-Saharan Africa over the last two decades. South Africa also boasts the largest single investment – the 100 MW KaXu Solar One concentrated solar power plant, which was commissioned in 2015 and provides power to the electricity utility, Eskom, under a long-term power purchase agreement (PPA).⁸

The slowdown in economic activity resulting from the COVID-19 pandemic sharply reduced energy demand across sub-Saharan Africa, which in turn limited IPP investment growth. As economic activity gradually recovered, demand has also rebounded (Figure 1). Investments in renewable energy and gas-fired IPPs are expected to increase considerably to finance the additional generation needed to meet increasing demand, as well as to replace retired coal power stations.⁹

FIGURE 1. Changes in annual power generation in Africa, 2015-2022 (TWh)



Source: International Energy Agency, 2021.

7) Eberhard, A. et al., "Independent Power Projects in Sub-Saharan Africa: Lessons from Five Key Countries," Directions in Development: Energy and Mining, World Bank Group, (2016): <https://openknowledge.worldbank.org/bitstream/handle/10986/23970/9781464808005.pdf>
8) KaXu Solar One, Northern Cape: <https://www.power-technology.com/projects/kaxu-solar-one-northern-cape/>
9) International Energy Agency, "Electricity Market Report: July 2021," (2021): <https://iea.blob.core.windows.net/assets/01e1e998-8611-45d7-acab-5564bc22575a/ElectricityMarketReportJuly2021.pdf>

The benefits of renewable energy IPPs

There are wide-ranging benefits of deploying renewable energy IPPs. The first IPPs in sub-Saharan Africa, which were hydropower, natural gas and diesel-based generation, were implemented to increase generation capacity in order to help national power utilities meet energy demand. Above all, RE IPPs offer indigenous, reliable and clean sources of energy that can reduce emissions from the power mix by replacing fossil fuels and thermal power generation. In more developed IPP markets, increased market competition also helps reduce the cost of electricity generation. Some of the main benefits that RE-based IPPs offer include the following:

- **Indigenous, reliable and clean sources of energy:** African countries have an abundance of clean energy resources that remain largely undeveloped. While energy production from RE sources is variable, modern dispatch systems can better predict intermittency and incorporate larger volumes of renewable energy into the energy mix.
- **Reduced Levelised Cost of Electricity (LCOE):** In addition to the availability of grants and concessional funds for RE IPP investments, RE technology costs (especially for solar PV and wind) have declined considerably over the last decade. These dynamics have led to a reduction in the LCOE for renewables, making them cost-competitive with most non-RE sources.¹⁰

- **Emission reductions and improved generation mix:** RE IPPs allow countries to improve the share of clean energy in their power mix and reduce emissions from electricity generation. This is particularly true when RE replaces or avoids investments into thermal generation (such as diesel or fuel oil).
- **Reduced project development time:** As many countries in sub-Saharan Africa have now mapped their renewable energy resources, project development times in these countries for RE IPPs (especially for solar and wind resources) can be considerably reduced compared to other types of IPPs.

The limitations of national power utilities in sub-Saharan Africa

The overall growth of IPPs in sub-Saharan Africa has not resulted in homogeneous growth in the sector across the region. African power utilities face challenges that in turn constrain the growth of IPPs. [Table 1](#) describes some of the main challenges facing IPPs in sub-Saharan Africa.¹¹

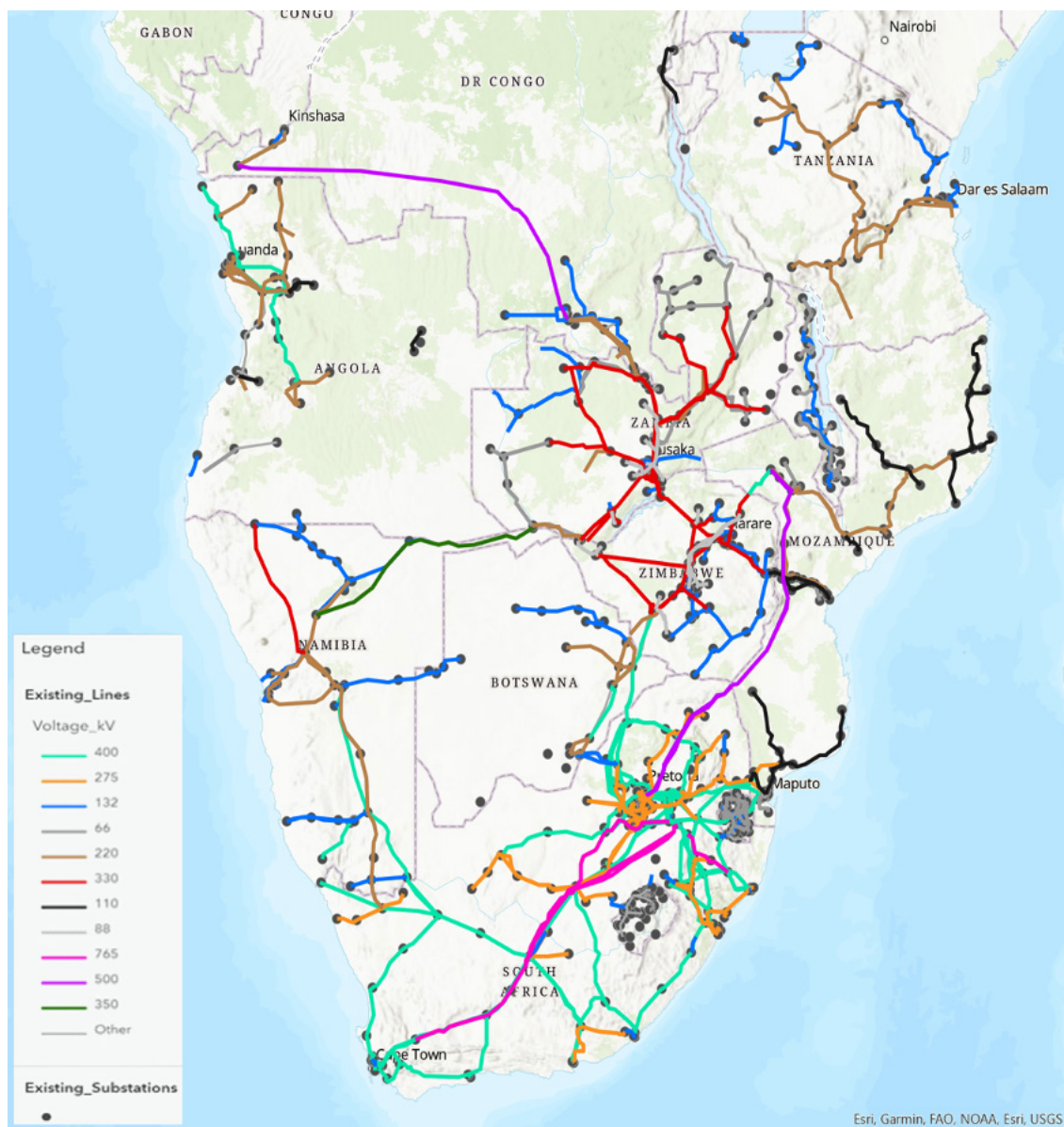
10) LCOE is calculated based on the investment costs, annual OPEX, fuel costs, and costs/emission reduction credits for a given generation option.

11) Eberhard, A., and Gratwick, K., "IPPs in Sub-Saharan Africa: determinants of success," Development Policy Review, (2010): <https://ppp.worldbank.org/public-private-partnership/library/ipps-sub-saharan-africa-determinants-success>

TABLE 1. Summary of IPP market barriers in sub-Saharan Africa

| BARRIER | DESCRIPTION |
|--|---|
| Inadequate investment climate | <ul style="list-style-type: none"> — Limited access to local currency financing and a lack of fiscal policy support (e.g., appropriate tax incentives) for IPPs are the most common challenges hindering development of the sector. — While most African countries do not have ideal investment climates (e.g., due to currency issues or other country risks), nearly all IPP projects that have been successfully implemented in the region have benefited from tax exemptions during project development and construction (especially import duty and VAT exemptions), as well as full repatriation of profits. Countries have taken different fiscal approaches; for instance, in Tanzania, a tax holiday of five years was provided to IPPs, while in Kenya, the tax holiday extended only until plant commissioning. — Other factors influencing the investment climate include security issues, concerns around governance and other country risks. — While an unfavourable investment climate does not necessarily prevent investment into IPPs, an improved investment climate will attract more investors and allow countries to secure better deals. |
| Counterparty risk/off-taker credit risk | <ul style="list-style-type: none"> — Among the most difficult counterparty risks for IPP developers to navigate is off-taker credit risk, as African national utility companies are often in weak financial situations, which increases the risk that they will subsequently be unable to meet payment obligations under a PPA. |
| Unclear policy and regulatory framework for IPPs | <ul style="list-style-type: none"> — A supportive policy and regulatory framework for IPPs is needed to attract investment to the power sector. — Although many countries have modified their legal and regulatory frameworks to allow for private sector generation and retail sale of electricity, the policy framework for procuring IPPs still remains underdeveloped across much of sub-Saharan Africa. — Independent regulatory authorities help bring more transparency to power sector regulation, including to tariff setting procedures and the interface between public and private grid assets. |
| Electricity transmission and distribution | <ul style="list-style-type: none"> — The lack of an adequately developed and maintained transmission and distribution (T&D) network in many African countries inhibits utilities from providing nationwide electricity access services. — Sites with high RE potential for IPPs may not be financially viable if located far from the national grid, since in addition to funding the generation site, the transmission line (that transports the produced electricity to the grid) also needs to be funded. |
| Poor condition of electricity grid infrastructure/intermittent RE capacity | <ul style="list-style-type: none"> — High technical losses resulting from inadequate maintenance prevail in many countries in sub-Saharan Africa, limiting the capacity of national power utilities to manage different power stations simultaneously. — Utilities often limit the share of RE power generation feeding into the grid due to unpredictable fluctuations in RE power supply, as they lack the capacity to quickly compensate for such variations. To overcome this constraint, several technical upgrades are needed, including the introduction of modern dispatch centres. |
| Lack of reliable data to inform power sector planning | <ul style="list-style-type: none"> — Quality data are essential for power sector planning. While most national power utilities in sub-Saharan Africa have set targets for generation growth through 2030, many have yet to develop comprehensive master plans on how to achieve these targets (based on least-cost electrification studies, demand forecasting, RE potential assessments, etc.) |
| Limited energy demand | <ul style="list-style-type: none"> — Some countries with high availability of power resources from hydropower and other clean energy sources often limit the number and/or capacity of IPPs due to low power demand compared to generation capacity. — Efforts are being made to mitigate this issue through the establishment of regional power pools that allow countries with low generation capacity to purchase power from neighbouring countries with excess generation capacity. For example, the Southern African Power Pool (SAPP) facilitates electricity trading across 12 countries in southern Africa, including Mozambique (see Figure 2). |

FIGURE 2. Southern African Power Pool (SAPP) electricity grid network



Source: Southern African Power Pool.

2.2 ENABLING ENVIRONMENT FOR IPPS

To establish an enabling environment for IPPs and attract private investment to the sector, countries need to implement appropriate power market reforms, policies, regulations, procurement and contracting mechanisms.¹² Table 2 describes several key indicators in a given country that can determine whether the market conditions are appropriate for IPPs.

Since the first IPP project in sub-Saharan Africa was commissioned in Côte d'Ivoire in 1994, there have been many successful IPP projects developed across the region. Table 3 reviews examples from South Africa and Kenya in further detail.

TABLE 2. Enabling policy and regulatory environment for IPPs

| INDICATOR | DESCRIPTION |
|---|---|
| Liberalised market/ private sector ownership | — A liberalised electricity market exists with a regulatory framework that allows for private ownership, operation and retail sale of electricity to the national utility. |
| Electricity sector planning | <ul style="list-style-type: none"> — Government has established electrification targets and developed a master plan to guide development of the power sector (geospatial least-cost electrification plan that integrates grid, mini grid, and off-grid solutions). — Utility has clear plans for grid extensions, distributed generation and the development of transmission and distribution infrastructure. |
| Capacity of national utility | <ul style="list-style-type: none"> — The national power utility is able to meet overall electricity demand and limit electricity outages with existing generation capacity and transmission and distribution grid infrastructure. — Utility is able to address issues related to the integration of renewables into the grid. |
| Feed-in-tariffs, incentives and other support | — Government has adopted RE feed-in tariffs (FITs) or other favourable policy measures to incentivise RE power generation and increase the financial viability of RE projects (e.g., duty and tax exemptions, concessional financing, risk sharing etc.). |
| Renewable energy sector mapping | — An 'atlas' mapping the potential for renewable energy sources in the country exists, with up-to-date information on viable sites, estimated electricity demand/potential etc. |
| Support for IPPs | — Specific programmes or projects (e.g., government, donors, development partners) are focused on developing and financing IPPs or improving the enabling environment for IPPs. |

Source: Eberhard et al., 2018.

12) Eberhard, A., Gratwick, K., and Kariuki, L., "Kenya's lessons from two decades of experience with independent power producers," Utilities Policy, 52, (2018): <https://www.gsb.uct.ac.za/files/KenyasLessonsFromTwoDecades.pdf>

TABLE 3. IPP sector development in South Africa and Kenya

| COUNTRY | DESCRIPTION |
|--------------|---|
| South Africa | <p>In 2011, South Africa launched a competitive tender process – the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) – designed to facilitate private sector investment into grid-connected RE generation in the country. Under the programme, IPPs were invited to submit bids for solar PV, concentrated solar power, onshore wind, small hydropower, biomass, biogas or landfill gas projects. Between 2011 and 2015, four rounds of competitive bidding (referred to as bid windows) were completed. Of more than 300 submissions across the four bidding windows, 92 of these projects were selected (mostly wind and solar PV) for a total of 6,328 MW procured and USD 20.5 billion in investment mobilised.¹³</p> <p>As a result of competition, prices fell sharply between the first and fourth bidding windows. Projects awarded under the fourth window indicate that both solar PV and wind energy were by then cheaper than the average cost of supply for the national utility and about half the cost of new Eskom power stations. By the end of 2015, 42 of the 92 contracted projects were fully operational, demonstrating both the ability of a competitive tender to expedite the delivery of numerous projects, but also the shorter timeframes required for constructing RE projects versus conventional fossil fuel plants. In less than four years, South Africa achieved more investment in IPPs than in the rest of sub-Saharan Africa over the previous 25 years. All the REIPPPP projects successfully reached financial close.</p> <p>Unlike many international RE competitive tenders, the REIPPPP did not include a pre-qualification stage, but was instead structured as a one-stage tender where all compliant bid responses submitted by the deadline were accepted.¹⁴ Significant emphasis was also placed on a wide range of non-price economic development evaluation criteria (grouped into seven non-price categories: job creation, local content, ownership, management control, preferential procurement, enterprise and socio-economic development), which is uncommon globally and set the REIPPPP apart. The economic development criteria came with mandatory thresholds and targets set per element and per RE technology (i.e., number of jobs created, or percentage of local ownership). The REIPPPP succeeded in generating interest from local, regional and international project developers and sponsors alike. The permitted foreign shareholding of up to 60% attracted sustained interest from international companies, while local participation was ensured by the economic development thresholds.¹⁵ In 2023, the REIPPPP launched its sixth window.</p> <p>Debt finance is mainly provided by South Africa-based institutions, as international banks are wary of currency risk.¹⁶ Over 20 different debt providers have participated in financing projects awarded under the REIPPPP. The five largest local banks (ABSA, Nedbank, RMB, Standard Bank and Investec) have contributed 68% of the external debt to date. This contrasts with the equity investments, which were made by various foreign and local sponsors.</p> |

- 13) Eberhard, A., and Naude, R., "The South African Renewable Energy Independent Power Producer Procurement Programme: A Review and Lessons Learned," *Journal of Energy in Southern Africa*, 27 (4), (December 2016): https://www.researchgate.net/publication/311851209_The_South_African_Renewable_Energy_Independent_Power_Producer_Procurement_Programme_A_Review_and_Lessons_Learned
- 14) Projects that qualified for comparative evaluation were those that were technically, financially and legally qualified, as well as having sufficient experience, commitment and resources to execute the project.
- 15) The economic development threshold includes 40% project company ownership by South African citizens, 12% ownership by people of colour and 2.5% ownership by the local community.
- 16) Klagge, B., and Nweke-Eze, C., "Financing large-scale renewable-energy projects in Kenya: investor types, international connections, and financialization," *Geografiska Annaler: Series B, Human Geography*, 102:1, 61-83, Taylor & Francis Online, (25 February 2020): <https://www.tandfonline.com/doi/full/10.1080/04353684.2020.1729662>

TABLE 3. *Continued*

| COUNTRY | DESCRIPTION |
|--------------------------------------|---|
| South Africa (<i>continued</i>) | In general, the South African REIPPPP provides growing international evidence that competitive tenders achieve superior results to other policy instruments. The success of a tender will depend on whether it has been well-designed to achieve two key goals: (i) increased competition among bidders to reduce price outcomes; and (ii) participation only by bidders that have the capacity to implement their projects at the contracted bid tariff within the given timeframe. |
| Kenya | <p>The policy and regulatory environment in Kenya is fairly advanced, with a significant and growing IPP presence, partial privatisation of national utilities and cost-reflective tariffs.¹⁷ According to the Energy and Petroleum Regulatory Authority (EPRA), in 2021, Kenya had 2,984 MW of installed on-grid capacity across 45 power plants, plus an additional 11.5 MW in 19 off-grid stations in remote parts of the country.¹⁸ Independent power producers own and operate around 30% of this capacity across 15 plants, including three small-scale hydropower plants, one geothermal plant, one biomass plant, and 10 fuel oil plants. KenGen, the national utility, owns and operates the remaining 70% of installed capacity.</p> <p>One of the most prominent IPP projects in Kenya is the Lake Turkana Wind Power project. While the state has invested in other IPP projects, especially in the geothermal sector, the project is entirely financed by the private sector, with investments predominantly provided as equity.¹⁹</p> <p>Solar IPP projects in Kenya include the USD 69M Malindi solar PV project, located about 120 kilometres north-east of Mombasa, one of the first IPP-owned utility-scale solar power plants in Kenya. Globeleq worked with the Africa Energy Development Corporation (AEDC), with AEDC retaining 10% ownership of the project after bringing equity, project development and construction management experience. The UK government helped to source the project's debt finance of USD 52M, which included USD 20M from the German development finance institution, DEG.²⁰ The 40 MW project began generating and selling power in January 2022. Globeleq will sell electricity under a 20-year PPA with the national distribution company, Kenya Power.</p> <p>In March 2019, InfraCo Africa committed USD 2.2M to develop the Samburu Solar and Transmara Solar projects through convertible loan agreements with frontier developer Gigawatt Global. Each project will be 10 MW in capacity and will generate clean, reliable electricity in some of the poorest counties in Kenya. The financing committed by InfraCo Africa will enable these projects to complete development activities and secure the financing needed for construction.²¹ To date, private sector investment in the Kenyan solar sector has focused on either large-scale plants or local green mini-grids. The Samburu and Transmara projects will demonstrate the commercial viability of strategically sited small-scale solar plants (10 MW and below) and will thus seek to mobilise greater private sector participation in this market segment. Work is also underway to explore the potential for one or both solar projects to take part in a local currency PPA pilot. If confirmed, the solar projects would be among the first in sub-Saharan Africa (outside of South Africa) to have negotiated local currency renewable energy PPAs.</p> |

17) "Development of Kenya's power sector 2015-2020," USAID Power Africa, https://2012-2017.usaid.gov/sites/default/files/documents/1860/Kenya_Power_Sector_report.pdf

18) "Energy and Petroleum Statistics Report," Energy and Petroleum Regulatory Authority, 2021.

19) Klagge and Nweke-Eze, 2020.

20) "Kenya: First utility-scale IPP solar project achieves financial close," Africa Energy Portal, (3 June 2019): <https://africa-energy-portal.org/news/kenya-first-utility-scale-ipp-solar-project-achieves-financial-close>

21) "Backing Kenya's Solar Potential," InfraCo Africa, (6 March 2019): <https://infracofrica.com/backing-kenyas-solar-potential/>

2.3 FINANCING IPPS IN SUB-SAHARAN AFRICA

Access to financing along with risk mitigation measures can help catalyse RE IPP sector growth. The steady growth of IPPs observed in sub-Saharan Africa is also due to the increasing availability of different sources of financing. The main sources of financing for IPPs include the following:

- **Development finance institutions (DFIs):** DFIs play an important role in accelerating the deployment of IPPs in sub-Saharan Africa by providing debt financing at concessional interest rates. Several IPP projects that have been developed in challenging investment climates have done so thanks to DFI investments in the private sector, including from the International Finance Corporation (IFC), FMO (Netherlands), the German Investment and Development Corporation (DEG), Proparco and Norfund, among others. Over the last decade, most of these funds have been allocated to projects in Nigeria, Uganda and Kenya.²²

DFIs such as the African Development Bank (AfDB), the World Bank and the IFC, among others, also offer **partial risk guarantees (PRGs) for IPPs**, which typically cover a limited amount of an investor's losses from multiple risks. Other multilateral initiatives seek to strengthen financing access elsewhere in the project life cycle. The AfDB, for example, has established a USD 100M fund for RE projects called the Facility for Energy Inclusion (FEI), which provides senior and mezzanine debt to IPPs whose projects cost USD 30M or less. The FEI is also fundraising from others, such as the EU, to boost its available capital to USD 500M.²³

DFI funding tends to take longer to reach financial close but also brings with it clear benefits, such as helping to maintain contracts in the face of external challenges (e.g., in the case of Kenya's droughts, when developers were pressured to reduce tariffs).²⁴ The main drawback of foreign financing, however, is the mismatch between hard currency funding and local currency revenue (tariffs).

- **Bilateral financing:** African IPPs are also supported by several bilateral initiatives that can offer concessional loans from state-owned enterprises, such as the China Development Bank or the Export-Import Bank of China. Financing also comes from commercial or quasi-state entities, such as the Industrial and Commerce Bank of China and the China Construction Bank. In these cases, a Chinese firm is typically selected as the engineering, procurement and construction (EPC) contractor in a bidding process.

The USAID Power Africa programme has also played an important role in supporting investment by strengthening government support for US investors in regional power sector projects, including to IPPs. The programme offers investors a range of risk-mitigation tools and financing to overcome last-mile obstacles. Nigeria's Azura benefits from a PRG, as well as multiple other benefits from the Power Africa programme. In Ghana, the US Millennium Challenge Corporation (MCC) is providing USD 498M in support to the Electricity Company of Ghana, the state's power distribution company, to help clear up arrears, train employees and modernise the company's operations.²⁵

- **Private sector:** IPPs can be led by single companies that bring together minority partners and a financing package, or they can be developed by consortia with a larger set of players. To date, a mix of actors has emerged, joining forces to finance projects. South Africa's Harith General Partners has been an active participant in the market, teaming up with UK-based Aldwych International as the lead contractor on several projects. Kenya's Centum Investment, the Dutch firm KP&P and US-based Black Rhino Group are among other financiers currently supporting IPPs across the continent.

The steady increase in private investment in IPPs has largely followed the involvement of governments, DFIs and other international organisations. Typically, small government investments have had the effect of unlocking larger private sector investments.

22) "Independent Power Producers: A Solution for Africa?" Proparco, (March 5, 2017): https://issuu.com/objectif-developpement/docs/proparco-revuespd-ipp-hors-serie_u

23) "The African Development Bank's Facility for Energy Inclusion attracts \$160m in commitments for small-scale renewable energy," African Development Bank, (16 March 2020): <https://www.afdb.org/en/news-and-events/african-development-banks-facility-energy-inclusion-attracts-160m-commitments-small-scale-renewable-energy-34792>

24) Proparco, 2017.

25) "Governments in Cote d'Ivoire and Africa turn to independent power producers to create much-needed generation capacity," Oxford Business Group, (2017): <https://oxfordbusinessgroup.com/analysis/independence-day-governments-are-turning-independent-power-producers-ipp-cre-ate-much-needed>

2.4 PROFILES OF IPPS IN SUB-SAHARAN AFRICA

Most IPPs in sub-Saharan Africa specialise in power project development. Some developers with a longer history in the region started as EPC contractors and later moved to power generation when markets liberalised. Several companies have evolved to build, own, operate and finance electrical power stations, with the majority currently focusing on RE generation. Contracts are provided to these companies either through a bidding process managed by government or donor programmes, or through unsolicited proposals. **Table 4** describes a selection of IPPs currently active in sub-Saharan Africa.

TABLE 4. Select IPPs operating in sub-Saharan Africa





| IPP DEVELOPER | DESCRIPTION | COUNTRY | PROJECTS |
|---|--|--------------|--|
|  | <p>African Clean Energy Developments Limited (ACED) is a South African company dedicated to the development of RE projects in sub-Saharan Africa. ACED's shares are 50% held by African Infrastructure Investment Managers (AIIM), and 50% by AFPOC Limited, a Mauritian-registered company incorporated for the sole purpose of its investment in ACED.</p> | South Africa | <p>ACED currently has a portfolio in excess of 1,500 MW made up of wind and solar projects. The company is developing Cookhouse Wind Farm (a preferred bidder in the first phase of the South African REIPPPP), the largest wind farm project in South Africa with an installed capacity of 138.6 MW.</p> |
|  | <p>AEE Power Ventures is the RE subsidiary of AEE Power Group, a Spanish EPC contractor and project developer focused on the African distribution market. AEE develops, invests, owns and manages power assets under PPP and IPP schemes.</p> | Spain | <p>AEE Power Ventures has a 600 MW project pipeline diversified across 10 countries, six types of technologies and varying types of off-takers (government, quasi-government and private mining companies).</p> |
|  | <p>AREN Energy develops, builds, operates and finances RE assets across Africa. AREN is a joint venture (JV) between EREN, a renewable investor and an IPP, and INCA Energy, a developer of wind and solar assets based in South Africa. The JV entity, AREN, is based in South Africa, and they recently set up a new vehicle, the Africa Energy Management Platform (AEMP) that develops, finances, constructs and operates primarily renewable and hybrid energy plants for mining and industrial clients across Africa.</p> | South Africa | <p>AEMP will build on the 700 MW project pipeline created by AREN to date and provide the financial capacity to invest in projects and act as an IPP.</p> |
|  | <p>Atlantic Energy Partners (AEP) was incorporated with the intent of owning and operating a variety of clean energy facilities across the African continent, providing the renewable energy sector with a full turnkey IPP service. AEP offers a partnership with extensive industry, corporate and advisory expertise combined with financial investment capability.</p> | South Africa | <p>AEP has successfully developed 450 MW of solar projects and 138 MW of onshore wind projects in South Africa. The company has also developed and sold greater than 1 GW of wind and solar projects in the country. AEP is looking into opportunities in South Africa, Botswana, Namibia, Zimbabwe, Zambia, Mozambique, Kenya, Uganda, Nigeria, Ghana and Mali.</p> |

TABLE 4. Continued







| IPP DEVELOPER | DESCRIPTION | COUNTRY | PROJECTS |
|---|---|----------------|--|
|  | <p>Azura Power Holdings is majority owned by Amaya Capital, the founder and lead sponsor of the 450 MW (USD 876M) Azura-Edo IPP located in Benin City, Nigeria. While Amaya Capital is the controlling stakeholder in the Azura-Edo project, other equity investors in the Azura-Edo project include American Capital Energy and Infrastructure, African Infrastructure Investment Managers, Aldwych Azura Ltd. and the ARM-Har-ith Infrastructure Fund. Through its investments in Seven Energy and Azura, Amaya Capital has been the lead sponsor and active investor in two companies responsible for the deployment of over USD 3B of capital.</p> | United Kingdom | In addition to the Azura-Edo project, the completion of the financing for the Azura-Edo IPP represents the second major infrastructure investment by Amaya Capital, the first being Seven Energy, a gas infrastructure company. |
|  | <p>Enel Green Power (EGP) is the renewable energy generation arm of the Italian utility Enel. Enel Green Power South Africa (EGP RSA) is the South African subsidiary, representing their only African presence. Enel began operations in the country in 2011 and now has nearly 1 GW of wind and solar projects under execution.</p> | South Africa | Globally they have 5.6 GW in operation and 1,240 plants, split between 59.20 MW of biomass, 18.3 GW of wind, 28 GW of hydro, 8.7 GW of solar and 900.5 MW of geothermal. Enel Green Power manages more than 1,200 power plants on five continents and is present with assets in operation or under construction in 21 countries and early-stage development activities in a further six countries. |
|  | <p>Mulilo is a wind and solar PV IPP that develops, builds, owns and operates large-scale RE projects throughout South Africa. Mulilo has been awarded more than 420 MW worth of projects under South Africa's REIPPPP programme.</p> | South Africa | The developer currently has 210 MW of solar PV operational with a further 5 MW scheduled for completion in the near future. It also has a wind portfolio of 240 MW fully operational since 2017. Mulilo is well positioned to continue this steady growth with a pipeline of more than 3 GW of both wind and solar power currently under development. |
|  | <p>Proton Energy is a leading Nigerian-based IPP developer that develops and operates power plants across the country and throughout sub-Saharan Africa. The company's target over the next five years is to operate an installed capacity of 1.5 GW with an investment of over USD 1.5B.</p> | Nigeria | The current project is the Proton Delta Sunrise Project, a gas-fired combined cycle power plant under development in Sapele, Delta State. The initial installed capacity for Phase 1 of the project is 150 MW, which will expand to 500 MW in Phase 2. The company does not have any RE projects. |

TABLE 4. *Continued*

| IPP DEVELOPER | DESCRIPTION | COUNTRY | PROJECTS |
|---|---|---------------|---|
|  | <p>SolarReserve Energy is a leading global developer of utility-scale solar power projects with more than USD 1.8B of projects in operation and a pipeline of 6.6 GW worldwide. The company has several fully developed solar concentrated solar power sites that were bid for under previous rounds of the REIPPPP programme.</p> | South Africa | <p>The company has commercialised a proprietary solar thermal energy storage technology that enables its solar power plants to reliably operate on-demand, providing constant baseload power. SR Energy has developed 250 MW of solar PV plants that are currently operating in Southern Africa, including the 75 MW Lesedi PV Power Plant, the 75 MW Letsatsi Power Plant, and the 96 MW Jasper Power Plant.</p> |
|  | <p>Symbion Power is a US-based project developer working primarily in Africa. With offices in South Africa, Nigeria and Tanzania, Symbion builds, owns, and operates electrical power infrastructure across the continent, specialising in the construction of turnkey electric power systems, including power stations, extra high voltage transmission lines, distribution lines, substations and switchyards. Symbion was the only US energy company to participate in Nigeria's 2013 privatisation of the government's power assets.</p> | United States | <p>Symbion Power bid to acquire the 972 MW natural gas-fired Ughelli Power Plant, as part of the Transcorp Ughelli Power Limited consortium. The plant required rehabilitation and expansion and now operates under a 20-year concession. Symbion intends to acquire and build several other new power plants in Nigeria and is actively pursuing possible off-grid renewable energy projects in the country, as well as also developing a 450 MW gas-fired power plant in Ghana.</p> |

SECTION 3

The Renewable Energy IPP Market in Mozambique



This section examines the market for RE IPPs in Mozambique, including a review of the country's RE potential and existing and planned IPP projects and programmes.

3.1 COUNTRY OVERVIEW

Mozambique's economy is dominated by the agriculture sector, which employs more than 80% of the labour force and contributes to about 25% of GDP.²⁶ Other industries such as mining, tourism, fisheries and forestry also contribute to significant shares of the GDP. In 2020, Mozambique experienced its first economic contraction in nearly three decades, as the COVID-19 pandemic suppressed economic demand, disrupted supply chains and delayed critical infrastructure investments. The economy is still recovering from a slowdown in real GDP growth after two cyclones – Idai and Kenneth – hit the country in 2019 and caused unprecedented destruction, leading to a humanitarian crisis.²⁷ Security also remains an ongoing concern, particularly in the northernmost Cabo Delgado Province, where attacks by an insurgency group against the civilian population have created a dangerous and unstable environment and displaced thousands of people. The situation also led to the suspension of natural gas development in the offshore Rovuma Basin, which has the potential to generate substantial wealth and prosperity for the country in the long term.

Mozambique is administratively divided into three regions (south, central and north) and 11 provinces. The country has a low demographic density, as about two-thirds of Mozambicans live in dispersed rural areas mainly concentrated along transport corridors and the coastline.²⁸

3.2 ELECTRICITY SECTOR PROFILE

Rates of electricity access vary substantially across provinces and districts, with higher levels of access in the southern region (Figure 3).²⁹ In 2022, the national electrification rate was 51%, with a considerable difference between rates of access in urban and rural areas.³⁰ The government of Mozambique (GoM) aims to achieve universal access to electricity by 2030 through a combination of grid extensions, densification and off-grid solutions.

To achieve its electrification target, the government adopted the National Electrification Strategy (NES) in 2018, which promotes institutional, technical, financial and regulatory reforms for the electricity market and provides a framework for private sector participation.³¹ In 2019, with funding from the World Bank and other development partners, the GoM launched the “*Programa Nacional de Energia para Todos*” [Electricity for All National Programme] to coordinate efforts to provide all Mozambicans with electricity access by 2030. In the off-grid sector, the stand-alone solar market has experienced considerable growth in recent years, and the GoM has recently passed mini-grid regulations.

26) “Mozambique at a glance,” UN Food and Agricultural Organization (FAO): <http://www.fao.org/mozambique/fao-in-mozambique/mozambique-at-a-glance/en/>

27) Naidoo, K., and Loots, C., “Mozambique - Energy and The Poor: Unpacking the Investment Case for Clean Energy,” UN Capital Development Fund (UNCDF), (2020): <https://www.undp.org/sites/g/files/zskgke326/files/migration/africa/UNDP-UNCDF-Mozambique-Energy-and-the-Poor.pdf>

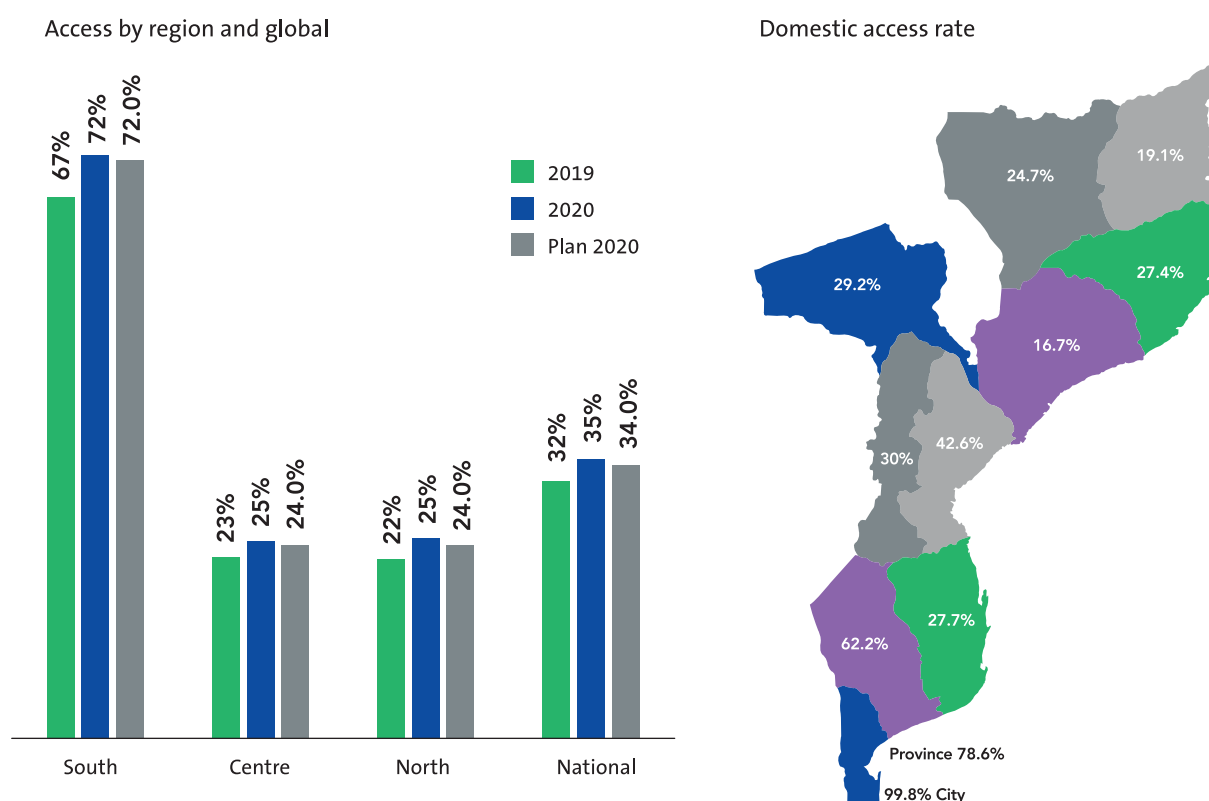
28) “Renewables in Mozambique: National Status Report, 2nd Edition,” Associação Lusófona de Energias Renováveis (ALER), (October 2017): <https://www.aler-renovaveis.org/en/activities/publications/national-reports/renewables-in-mozambique--country-status-report/>

29) Electricidade de Moçambique Relatório e Contas, Annual Report, 2020: <https://www.edm.co.mz/en/node/5321>

30) “Briefing: Renewables in Mozambique 2022,” Associação Lusófona de Energias Renováveis (ALER), (December 2022): https://www.lerenovaveis.org/contents/lerpublication/a4_resumo_renov_moz_2022_vfinal.pdf

31) National Electrification Strategy, 2018-2030. Ministry of Mineral Resources and Energy, Government of Mozambique.

FIGURE 3. Rates of electricity access by region, 2019-2020 (left) and province, 2020 (right)³²



Source: Electricidade de Moçambique (EDM), 2020.

The electricity market is vertically integrated, with the state-owned utility, Electricidade de Moçambique (EDM), responsible for the generation, transmission, distribution and retail sale of electricity. EDM sources most of the country's power from the Cahora Bassa hydropower plant (Hidroelétrica de Cahora Bassa, HCB) and supplies the remaining balance through a combination of diesel fuel, gas-fired generation, small-scale hydro and solar energy. The government has recently undertaken reforms to the electricity market to allow for private IPPs to sell power to EDM.³³ Electricity demand, which is expected to increase in the coming

decades, is mainly driven by extractive industries (mining), infrastructure development and other economic activities concentrated around urban areas.³⁴

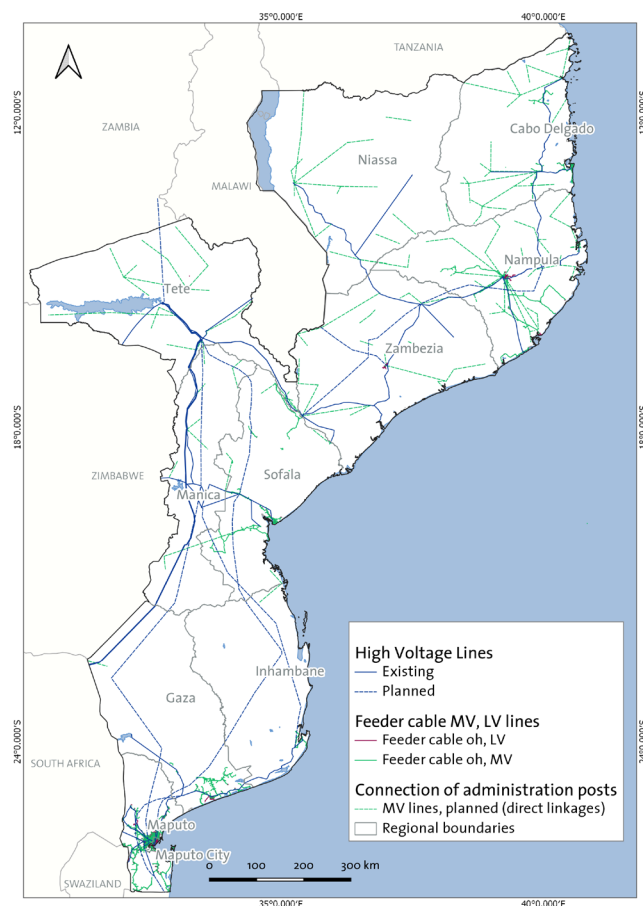
The EDM grid network is not yet fully interconnected, with three separate grids in the country's southern, central and northern geographic regions (Figure 4). Given the large size of the country and its low population density, large swaths of rural Mozambique will remain off-grid through 2030, served by solar home systems, mini-grids and C&I solutions for rural businesses.

32) Electricidade de Moçambique Relatório e Contas, Annual Report, 2020: <https://www.edm.co.mz/en/node/5321>

33) IPPs in the market include Sasol Limited, Aggreko, Scatec Solar, Neoen, Globeleq, Source Energia and Total Energies Renewables.

34) "Energy Catalyst - Country Guide: Mozambique," Innovate UK and UK Aid, (June 2020): <https://energycatalyst.ukri.org/wp-content/uploads/2023/05/Country-Guide-Mozambique.pdf>

FIGURE 4. Map of EDM national electricity grid network



Source: Electricidade de Moçambique.

3.3 RENEWABLE ENERGY POTENTIAL IN MOZAMBIQUE

Mozambique is endowed with abundant and diverse renewable energy resources (including hydropower, solar, wind, geothermal, bioenergy and tidal/wave power), but most of this potential remains untapped. The presence of large hydropower generation capacity has kept Mozambique's electricity prices relatively low, which has in turn made other RE technologies relatively more expensive. Yet, there are substantial cost savings and emission reductions that can be achieved by switching to renewables. In off-grid areas, mini-grids and stand-alone solar systems will play an important role in improving electricity access. Scaling-up the utilisation of both on-grid and off-grid RE resources will be

critical for Mozambique to achieve its long-term sustainable development objectives.

In 2013, Mozambique assessed its RE potential and developed the Renewable Energy Atlas of Mozambique.³⁵ The country's total RE potential is estimated to exceed 23 TW, with thousands of possible projects. The most abundant renewable energy resources include hydropower, solar and wind. These three sources have an estimated cumulative total potential of 7.3 GW in pre-identified grid-connected projects. Excluding hydropower, the share of renewable energy in the generation mix is expected to increase to 575 MW by 2030 and represent approximately 9% of installed capacity.³⁶

Hydropower

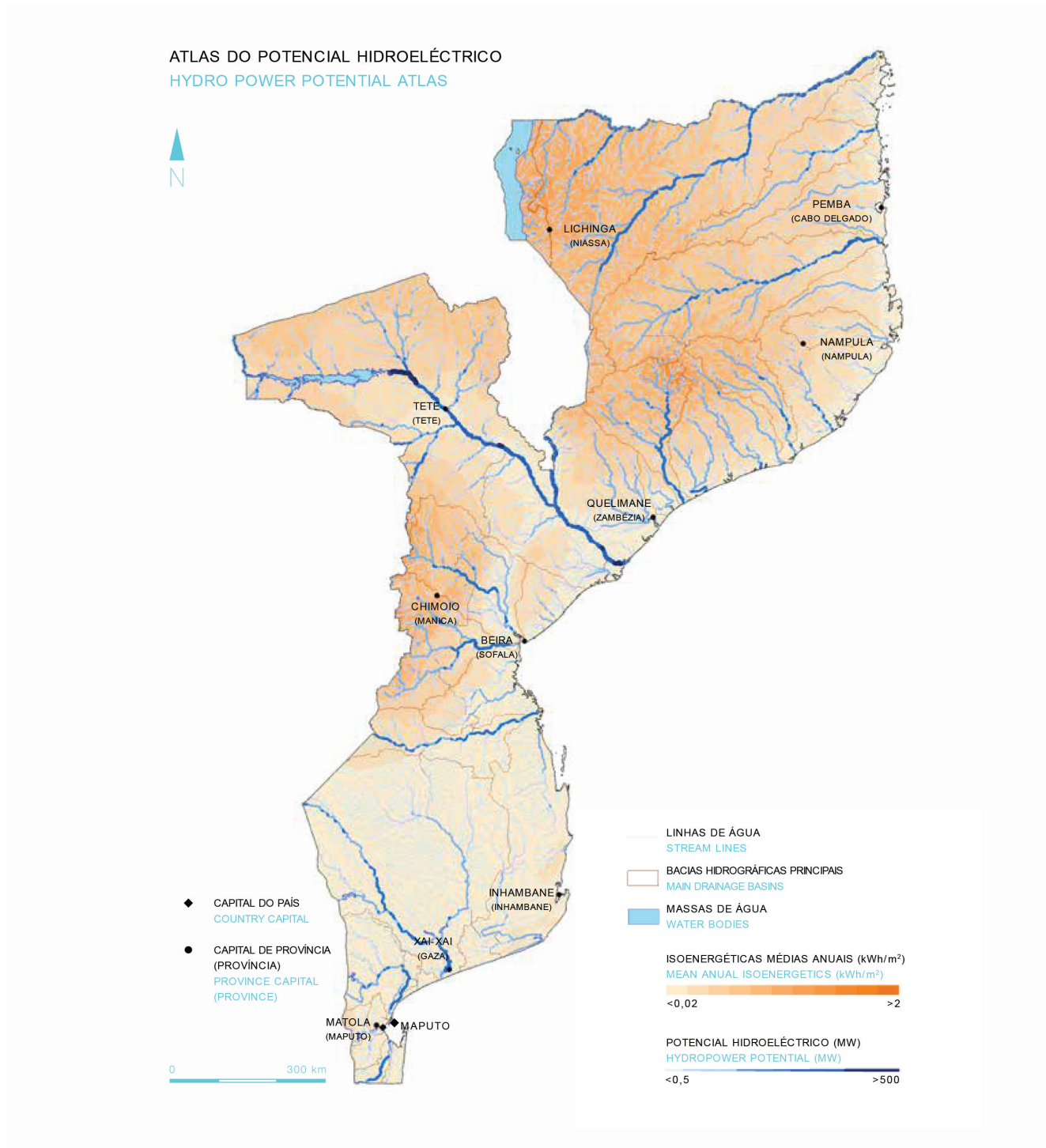
Hydropower is a critical source of electricity for Mozambique, as EDM sources 52% of the country's power from the 2 GW Cahora Bassa Hydropower plant (Hidroelétrica de Cahora Bassa, HCB). Although no comprehensive hydrological studies have been completed on a national scale, Mozambique has an estimated technical hydropower potential of about 18.8 GW based on 1,446 identified and studied projects, of which 351 projects totalling up to 5.6 GW have been identified as priority. Of this total, Mozambique has an estimated 3 GW of large hydropower projects in operation (defined as over 100 MW in installed capacity). The country also has an estimated 1.5 GW of small hydropower and 1.1 GW of mini-hydro potential, classified as projects between 5 and 50 MW, and below 5 MW, respectively. There is also significant untapped "run-of-river" micro-hydropower potential (i.e., projects below 100 kWp), but these were not considered in the Renewable Energy Atlas.

In 2019, the Mozambique Energy Fund (FUNAE) prepared a portfolio of hydropower and solar projects for development. It includes 31 identified hydropower projects with a cumulative capacity of 100.2 MW. These are either small or medium-sized projects ranging from 0.1 to 10 MW that have undergone at minimum a baseline study, while five have been subjected to pre-feasibility studies and one has completed a full feasibility study. Two are currently being developed for electricity generation. The total estimated investment needed for this portfolio is USD 24.4M.

35) Renewable Energy Atlas of Mozambique: <https://gestoenergy.com/project/renewable-energy-atlas-of-mozambique/>

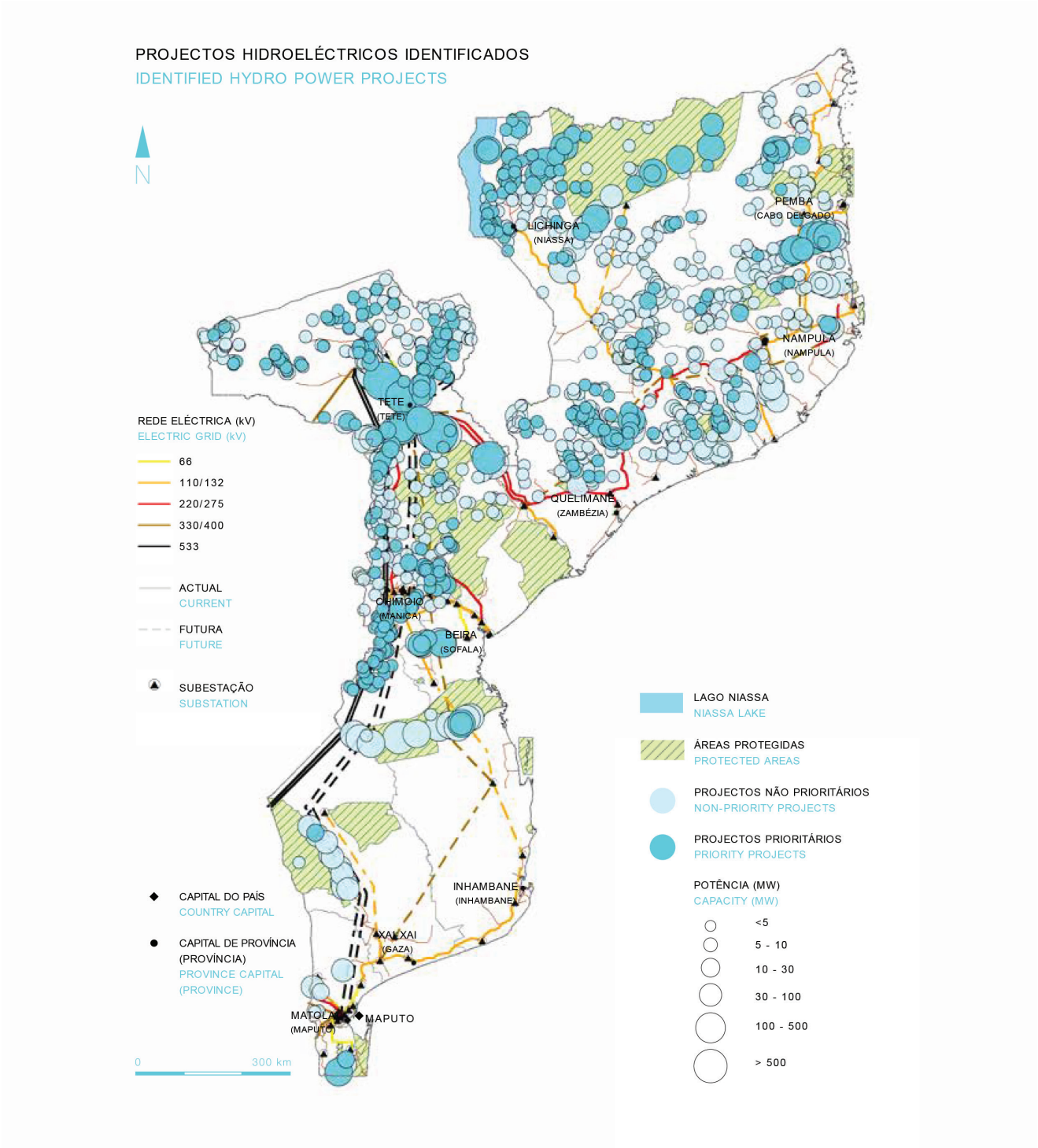
36) "Briefing: Renewables in Mozambique 2022," Associação Lusófona de Energias Renováveis (ALER), (December 2022): https://www.lerenovaveis.org/contents/lerpublication/a4_resumo_renov_moz_2022_vfinal.pdf

FIGURE 5. Map of hydropower potential in Mozambique



Source: Renewable Energy Atlas of Mozambique.

FIGURE 6. Map of identified hydropower projects in Mozambique



Source: Renewable Energy Atlas of Mozambique.

Solar

According to the Renewable Energy Atlas, with an average daily insolation across the country between 4.2 and 4.6 hours, Mozambique has significant untapped solar potential, including for both grid-connected and off-grid projects (i.e., mini-grids and standalone systems). If this potential is harnessed, the country can significantly increase the share of RE in the electricity generation mix and accelerate electricity access in off-grid areas. Solar PV appears to be best suited for the country's coastal, central and northern provinces (Figure 7), areas with greater than 4.4 hours of solar radiation.

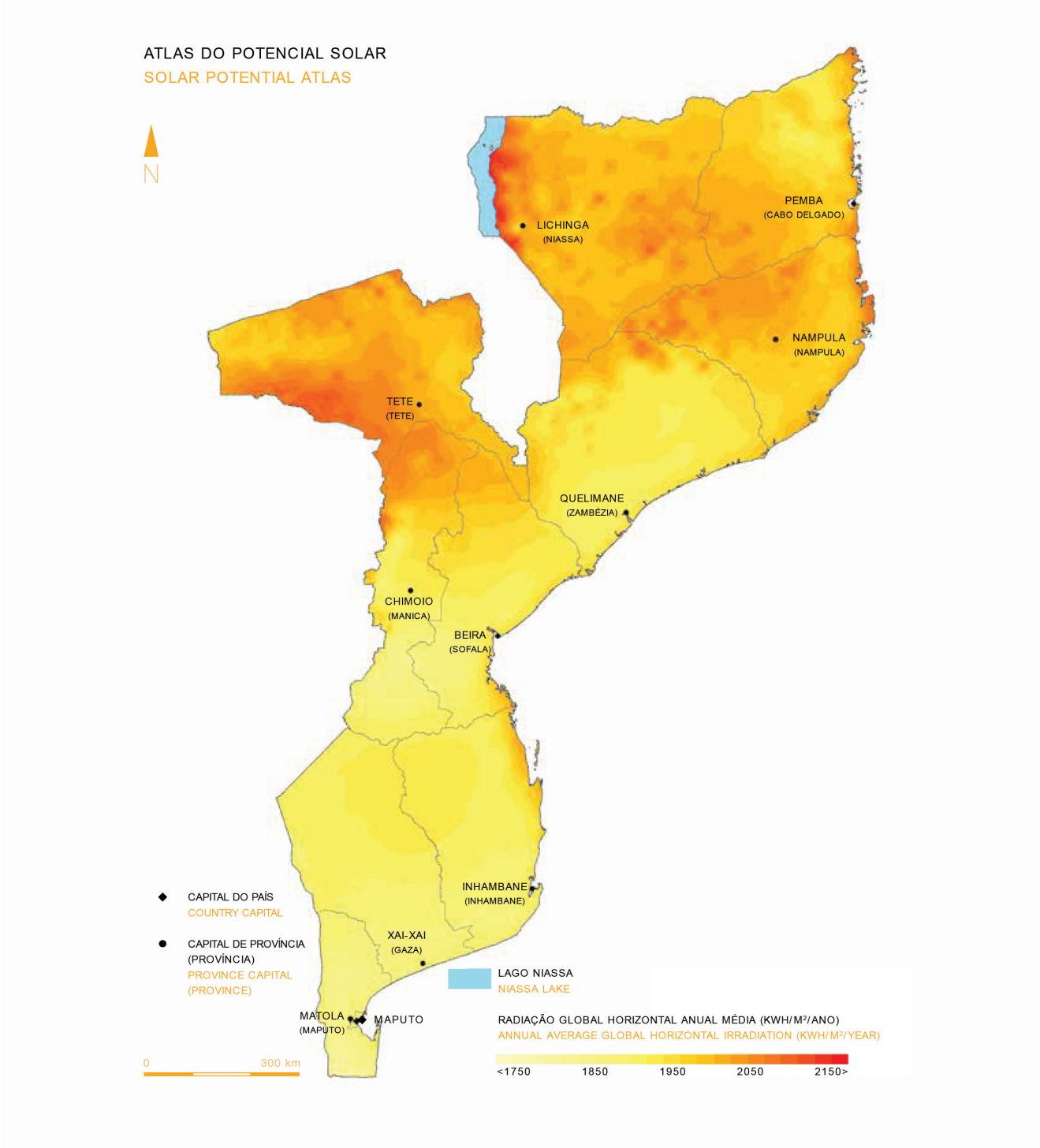
The Renewable Energy Atlas identified a total of 43 projects as potential grid-connected solar plants, representing about 600 MW of capacity. Maputo and Tete are the two provinces with the highest estimated potential for grid-connected solar projects (RE Atlas). As of 2023, Mozambique had 59 MW of installed solar generation capacity, including the 40 MW Mocuba solar project in Zambezia Province, built by Norwegian developer Scatec Solar, and the 19 MW Cuamba solar power plant, commissioned in Niassa Province by Globeleq, Source Energy and EDM.³⁷

Wind

Mozambique has moderate wind energy potential. According to the Renewable Energy Atlas, most of the country has wind speeds between 4 and 6m/s at 80m above ground (Figure 8), with higher wind speeds in coastal areas. The locations with the highest potential for wind power are found in the provinces of Maputo, Tete, and along the coast of Sofala, Inhambane and Gaza Provinces. The Renewable Energy Atlas estimates the country's total potential wind capacity to be 4.6 GW, of which 1.1 GW has potential for grid connection. Of the sites considered suitable for a grid connection, about 230 MW are considered projects with high potential with more than 3,000 hours of nominal power (Figure 9). The high wind resources found at these potential sites and their proximity to the grid makes them financially competitive compared to other resources. The Atlas estimates an energy cost for these sites at approximately between USD 50 and USD 100/MWh (or USD 0.1/kWh).

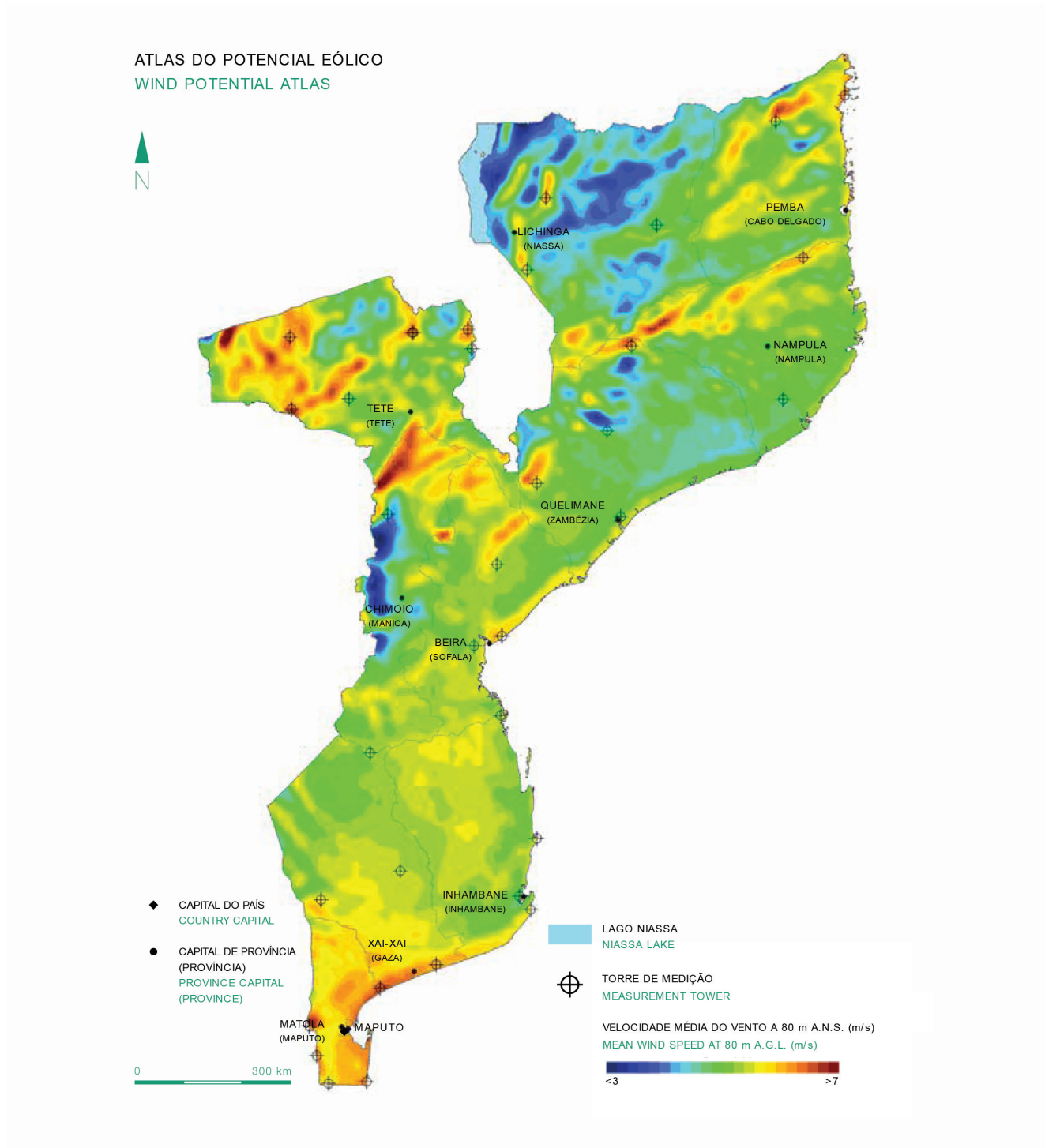
37) Takouleu, J.M., "Mozambique: Cuamba solar power plant goes into service with storage facility," Afrik21, (September 19, 2023): <https://www.afrik21.africa/en/mozambique-cuamba-solar-power-plant-goes-into-service-with-storage-facilitie/>

FIGURE 7. Map of solar PV power potential in Mozambique



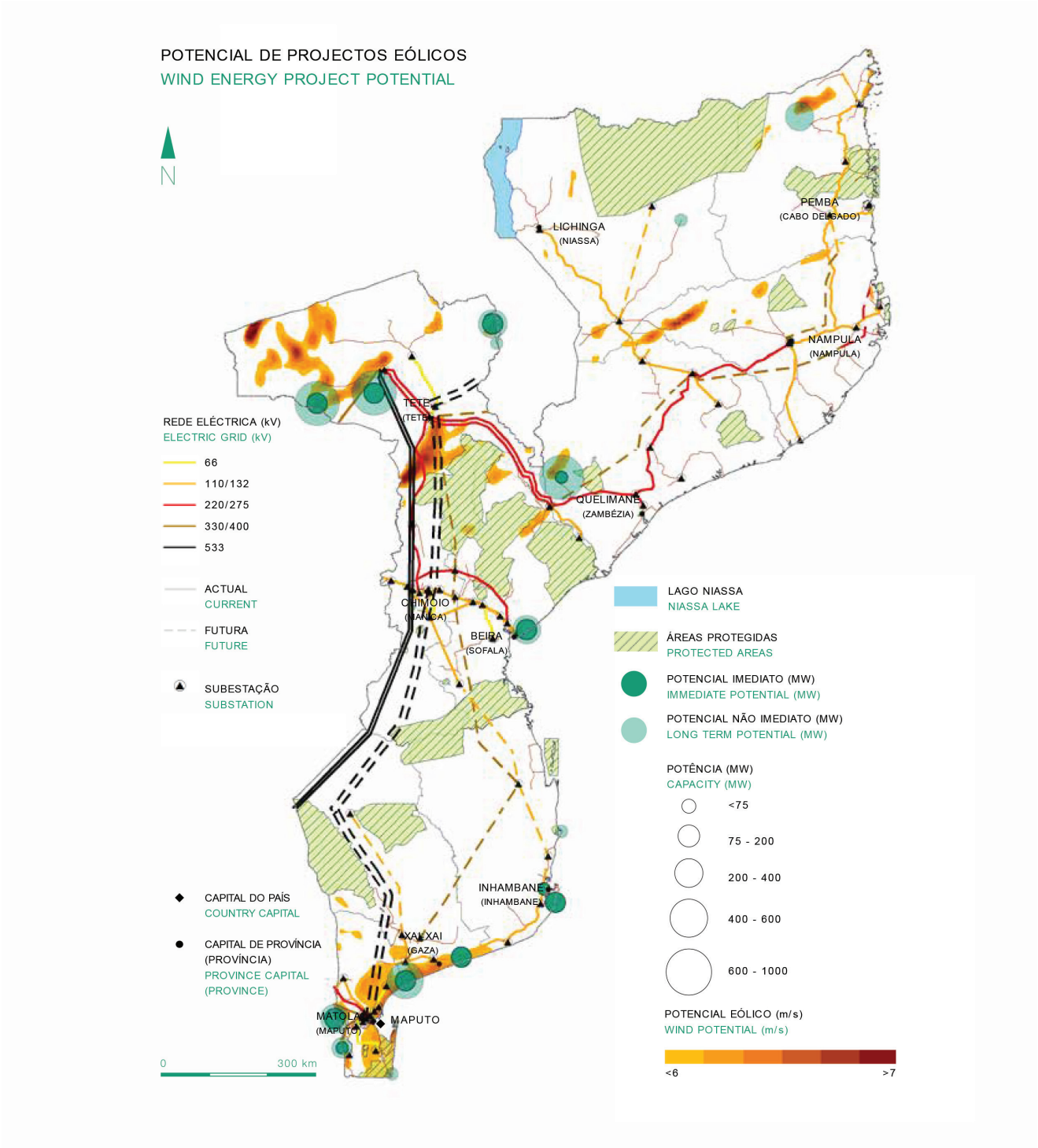
Source: World Bank, Global Solar Atlas, 2019.

FIGURE 8. Map of wind energy potential in Mozambique



Source: Mozambique Renewable Energy Atlas.

FIGURE 9. Map of wind energy project development potential in Mozambique



Source: Mozambique Renewable Energy Atlas.

Grid-connected wind projects in Mozambique face many of the same barriers that hinder other large-scale RE development in the country, including land accessibility and distribution infrastructure constraints, among others. Off-grid standalone wind turbines could be a suitable alternative to electrify remote communities, but a deficit of local skilled labour in the sector makes it difficult to attract the necessary private financing.

3.4 IPP MARKET DEVELOPMENT IN MOZAMBIQUE

The publication of the Public-Private Partnership (PPP) Law in 2011 allowed for private investment in Mozambique's electricity

sector. The premise was that all IPPs must sell electricity to EDM and negotiate prices on a contract-by-contract basis. In 2012, a series of small IPPs under the portfolio of Aggreko were commissioned with a combined installed capacity of 100 MW.

As of 2023, Mozambique had an estimated 533 MW of installed capacity from IPPs, of which approximately 100 MW comes from renewable sources (excluding large hydropower). There is a pipeline of projects totalling approximately 836 MW under development through 2027, of which 436 MW will come from non-hydro renewables (solar and wind energy). [Table 5](#) lists IPP projects that are currently in operation and those planned for commissioning through 2027 in Mozambique.

TABLE 5. Existing and planned IPP projects in Mozambique, 2020-2027

| IPP | DEVELOPER | CAPACITY (MWP) | PROVINCE | SOURCE | COMMISSION YEAR |
|---------------------------|------------------------------|-------------------|--------------|--------|--------------------|
| CTRG (Ressano Garcia) | EDM/SASOL | 175 | Maputo | Gas | In operation |
| Gigawatt | Gigajoule | 110 | Maputo | Gas | In operation |
| Kuwaninga | Kuwaninga Energia | 40 | Gaza | Gas | In operation |
| Karpower Ship | Karadeniz Energy Group | 108 | Nampula | Diesel | In operation |
| Mocuba (solar PV) | Scatec | 40 | Zambezia | Solar | In operation |
| Cuamba (solar PV + BESS) | Globeleq/Source Energia | 19 | Niassa | Solar | In operation |
| Total in Operation | | 492 | | | |
| Temane | Globeleq | 400 | Inhambane | Gas | 2024 |
| Metoro (solar PV) | Neoen | 41 | Cabo Delgado | Solar | TBD |
| Mecufi | MBHE and Moz Energy | 20 | Cabo Delgado | Solar | 2022 |
| Dondo (PROLER) | Total Eren | 30 | Sofala | Solar | 2025 |
| Manje (PROLER) | TBD | 30 | Tete | Solar | 2026 |
| Lichinga (PROLER) | TBD | 30 | Niassa | Solar | 2026 |
| Jangamo (PROLER) | TBD | 30 | Inhambane | Wind | 2027 |
| Namaacha | Globeleq/Source Energia | 120 | Maputo | Wind | Feasibility study |
| Manhiça | China Energy Investment Corp | 60 | Gaza | Wind | Feasibility study |

TABLE 5. *Continued*

| IPP | DEVELOPER | CAPACITY (MWP) | PROVINCE | SOURCE | COMMISSION YEAR |
|--|-----------|-------------------|--------------|--------|----------------------|
| Lindela | TBD | 30 | Inhambane | Wind | Feasibility study |
| Beira PV (GET FiT) | TBD | 15 | Sofala | Solar | TBD |
| Angoche PV (GET FiT) | TBD | 15 | Nampula | Solar | TBD |
| Balama PV (GET FiT) | TBD | 15 | Cabo Delgado | Solar | TBD |
| Total in Process of Commissioning | | 836 | | | |
| Total IPP pipeline through 2027 | | 1,328 | | | |

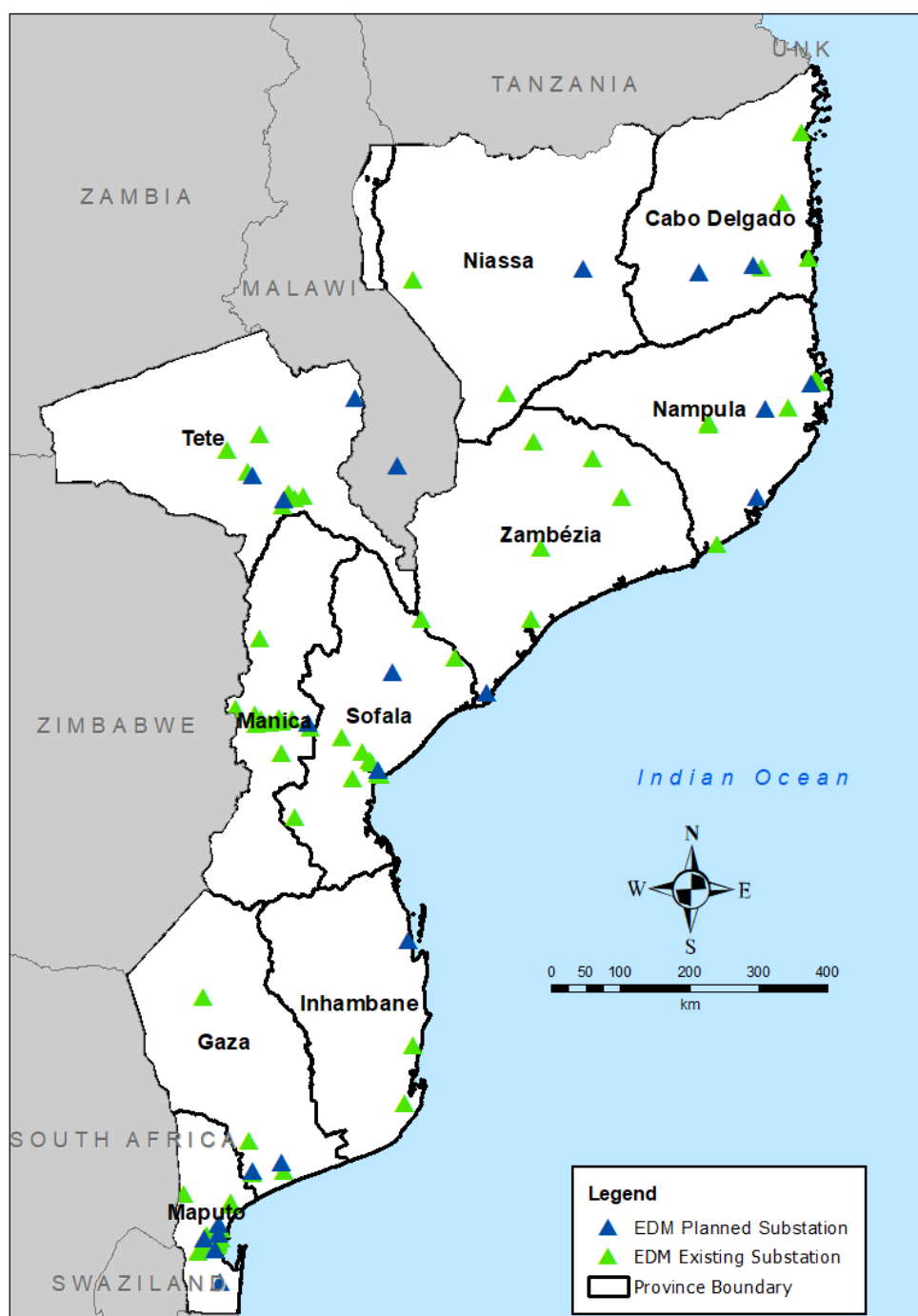
NOTE: Excludes hydropower.
Source: EDM, ALER.

IPPs are by default located near substations that link to the transmission network in the country (Figure 10). The EDM transmission system is composed of three regions:

- The **Northern Region** has a 220 kV transmission system covering about 1,000 km from the Songo substation to Nampula and continuing at 110 kV to the town of Nacala. A separate 220 kV system (operated at 110 kV) extends from Tete, linking with the Central Region at Chibata.
- The **Central Region** has a 110 kV system linking the hydroelectric power stations at Chicamba and Mavuzi with the load centres in the Beira-Manica corridor 132 km away.
- The **Southern Region** comprises a 110 kV network extending from Maputo to XaiXai, Chokwe and Inhambane, together with a 275 km single-circuit line from Maputo to Komatipoort, where it connects with the system operated by South African utility, Eskom.

These regions currently operate as independent systems; however, there is an existing interconnection between the Northern and Central Regions, and EDM is in the process of commissioning an interconnection to the South through the Transmission Backbone System Project (Sociedade Nacional de Transporte de Energia, STE). This includes the following two interconnections: (i) 110 kV power line from Metoro to Marrupa that will interconnect the northern provinces of Cabo Delgado and Niassa; and (ii) 400 kV power line from Temane to Maputo (part of the STE project).

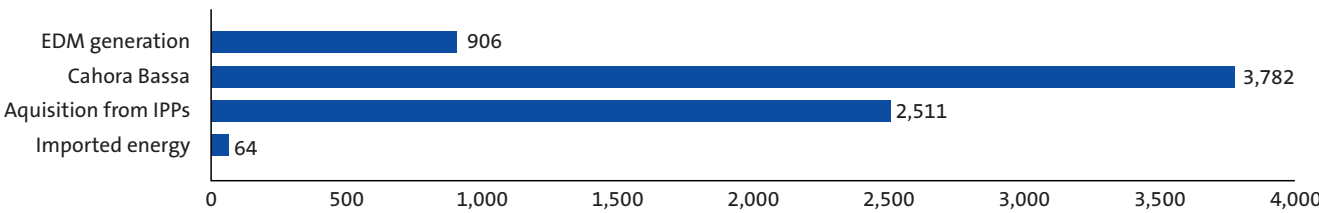
FIGURE 10. Map of existing and planned substations in Mozambique



Source: EDM, 2020.

Figure 11 presents the electricity generation by source in 2020, highlighting the important role that IPPs play in the Mozambican energy market. About 35% of power for national consumption comes from IPPs operating in the country. Only 1% is imported energy, while 12% comes from EDM's own generation capacity and 52% from Cahora Bassa.³⁸

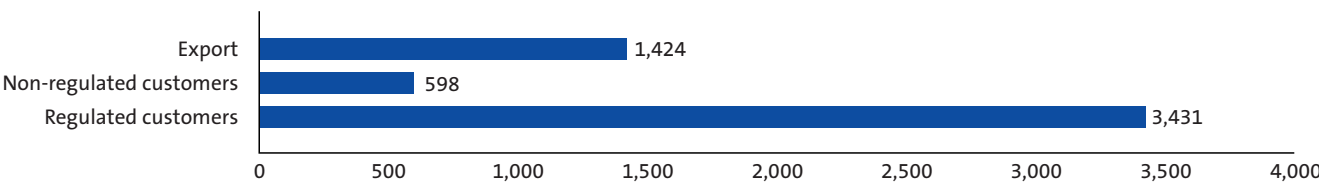
FIGURE 11. Electricity generation by source (GWh), 2020



Source: EDM Business Plan, 2020-2024.

In 2020, most power was sold to regulated customers (households, industrial and commercial users) at 3,431 GWh, followed by the export market at 1,424 GWh, and 598 GWh for non-regulated customers such as large industries with negotiated tariffs (Figure 12).³⁹

FIGURE 12. Power market segmentation (GWh), 2020



Source: EDM Business Plan, 2020-2024.

Peak demand is set to increase by about 950 MW to 2,750 MW in 2025, driven in part by the connection of nearly five million un-electrified households.⁴⁰ Furthermore, EDM projects an accumulated surplus of energy for export, from 1,373,961 MWh in 2019 to 3,056,739 MWh in 2024 (an increase of 122%).⁴¹ These projections are based on the increasing role of IPPs in supplying the power to reach these targets.

38) EDM Business Plan 2020-2024:
<https://www.edm.co.mz/en/document/reports-reports-and-accounts/business-plan-2020-2024>

39) Ibid.

40) Ibid.

41) Ibid.

IPPs selling to EDM (direct negotiation/unsolicited)

Table 6 lists IPPs that have entered direct negotiations with EDM, signing PPAs ranging from between USD 0.08 (MZN 5/kWh) and 0.13/kWh (MZN 8.30/kWh). The most favourable price is with HCB at USD 0.015/kWh (MZN 1/kWh).⁴²

TABLE 6. Independent power producers in Mozambique

| NAME | OWNERSHIP | REGION | CAPACITY (MWP) | PRICE (USD/MZN/KWH) |
|--|---|----------|----------------|-----------------------------|
| Hidroeléctrica de Cahora Bassa (HCB) | Government of Mozambique (91.25%) and REN of Portugal (6.25%) | Western | 415 | USD 0.015/kWh (MZN 1/kWh) |
| Central Térmica de Ressano Garcia (CTRG) | 51% by EDM and 49% by SASOL | Southern | 175 | USD 0.085/kWh (MZN 5.4/kWh) |
| Central Térmica de Gigawatt (CTG) | Old Mutual Ltd., Gigajoule Inter and MGC | Southern | 120 | USD 0.11/kWh (MZN 7/kWh) |
| Kuvaninga Gas-Fired Power Plant | Investec, Eventure and SPI | Southern | 40 | N/A |
| Central Térmica de Maputo (CTM) | EDM (meaning that it is not necessarily an IPP) | Southern | 100 | N/A |
| Mocuba Solar Plant | 25% owned by EDM, 52.5% by Scatec and 22.5% by Norfund | Northern | 30 | USD 0.13/kWh (MZN 8.30/kWh) |
| Metoro Solar Plant | 75% owned by Neoen and 25% by EDM | Northern | 30 | USD 0.13/kWh (MZN 8.30/kWh) |

Source: EDM.

As part of its five-year strategy and business plan (2020-2024), EDM aims to provide cost-reflective tariffs (currently being reviewed) to its customers, which is not yet the case for two main reasons: (i) the government's request to keep tariffs affordable; and (ii) relatively high PPAs with the few initial IPPs reached via direct negotiations. To bring the power purchase tariff closer to the price used for electricity sales to end-users, EDM has opted for a solicited and competitive bidding process for IPP development.

Competitive bidding process for IPPs (solicited)

Unsolicited proposals and direct negotiations between IPPs and EDM have several disadvantages, including a perceived lack of transparency into the process, and possible future contract disputes. On the other hand, competitive bidding processes between IPPs and utilities, such as reverse auctions and tenders for concessions, are associated with greater transparency, enable lower tariffs and lead to bids that are more likely to be bankable and lead to financial close. Competitive tenders also reduce risk, by increasing transparency and establishing standard contracting practices. Two programmes that foster a competitive bidding process in Mozambique are PROLER and GET FiT.

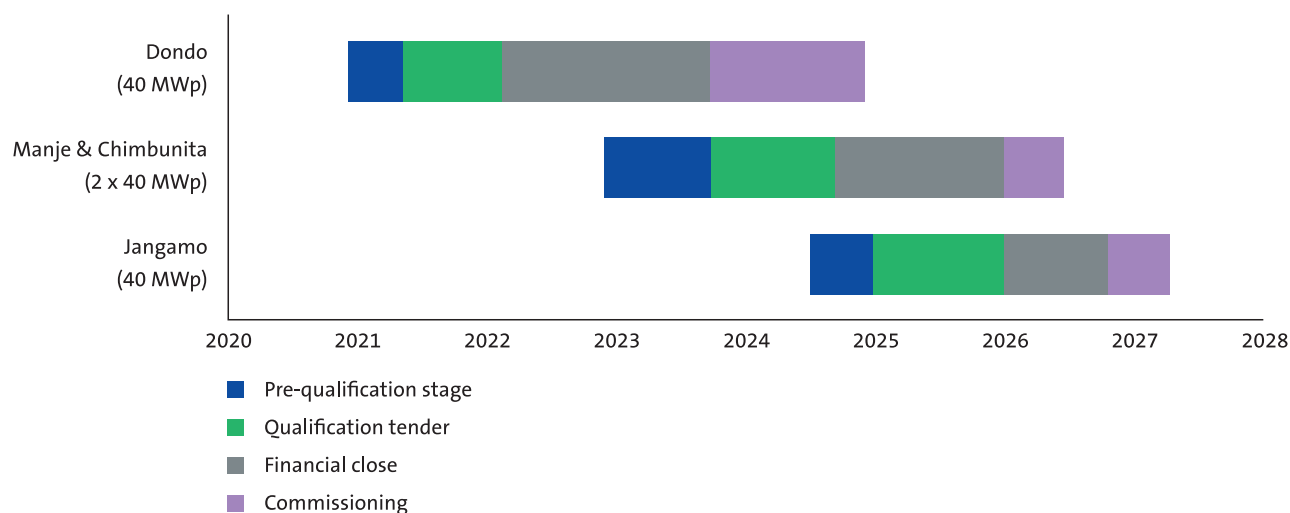
42) EDM Strategy 2018-2028: https://www.edm.co.mz/sites/default/files/documents/Reports/EDM_STRATEGY_2018_2028.pdf

PROLER⁴³

The Promotion of Auctions for Renewable Energy (PROLER) is a Mozambican programme that aims to help the government set up calls for tenders for renewable energy IPP projects. The programme, which was launched in September 2020, has a financial contribution of EUR 31M from the EU and is being implemented by AFD. The objective of PROLER is to develop new renewable on-grid capacity (solar and wind) through competitive and transparent processes, to attract private investors and to develop RE projects (with a unit capacity between 30 to 60 MW). In total, 120 MW of installed RE capacity will be developed over the duration of the initiative, including three solar power plants (Dondo City in Sofala Province, Lichinga City in Niassa Province, Manje Administrative Post in Tete Province) and one wind project (Jangamo District, Inhambane Province).

To facilitate the implementation of these projects, the EU provides the government of Mozambique with technical assistance for preparing and launching calls for tender, finances EDM compulsory shares in the special purpose vehicles (SPVs) and covers the interconnection costs and additional environmental and social measures. Technical assistance includes conducting feasibility studies and environmental and social impact assessments (ESIA). The Mozambican authorities involved in this programme are the Ministry of Energy (Ministério dos Recursos Minerais e Energia, MIREME), as the state body responsible for the energy sector (ultimately the contracting entity), ARENE, as the procurement authority responsible for the tender process, and EDM, responsible (public payment guarantee) for managing the feasibility studies. The PROLER Programme also offers a guarantee mechanism to limit the risk of non-payment by the buyer, EDM. **Figure 13** presents the PROLER project's timeline.⁴⁴

FIGURE 13. PROLER project timeline, 2020-2027



Source: AFD, 2023.

43) <https://proler.gov.mz/>

44) At the time of writing, this schedule is already significantly delayed but has not been publicly updated.

The two main stages in the PROLER bidding process are the (i) pre-qualification and (ii) qualification stages. The process is described below:

Step One: **The pre-qualification** (EOI) stage includes the following steps:

- 1) Launch of the Expressions of Interest
- 2) Receipt of the applications
- 3) Evaluation of the applications and selection of pre-qualified bidders
- 4) Minimum requirements for the pre-qualification are:
 - Experience as an IPP in the implementation of similar projects
 - Subscribing the totality of the share capital
 - Human resources with the required technical skills and experience in the sector
 - Proof of financial capacity to implement the project
- 5) Announcement of up to 12 short-listed candidates

Step Two: **The qualification** stage includes the following steps:

- 1) Launch of invitation for bids to pre-selected bidders
- 2) Submission of technical and financial proposals by pre-selected bidders
- 3) Evaluation of the proposals: technical bids (first) and financial bids (last)
- 4) Project award to the candidate obtaining the best final score
- 5) Signature of project agreements and financial close

GET FiT

German Financial Cooperation through KfW, together with other stakeholders, developed the Global Energy Transfer Feed in Tariff (GET FiT) Programme. GET FiT serves as a financing mechanism to unlock private investments in renewable energy projects via a reverse auction model in an environment where no private RE market has yet developed. Building on experience from Uganda and Zambia, GET FiT Mozambique aims to improve the attractiveness of the investment environment, increase institutional capacity, and build a track record of successfully implemented projects. The Programme offers a comprehensive toolbox, including the following:

- Viability gap funding mechanism
- Grid integration facility
- Risk mitigation facility
- Capacity development facility

The goal of the GET FiT Mozambique Programme is to install and connect a total of 130 MW of RE projects in a range of 4 to 15 MW per project. With solar PV (including storage) and small hydro power plants, GET FiT Mozambique specifically promotes market need-based dispatchable RE (available on-demand 24 hours per day at the request of the power grid operator). The geographic focus is on the underserved north and central regions of the country, home to 77% of the country's population, where the electricity supply is inadequate and unreliable. In addition, the Programme aims to reduce high power losses resulting from long transmission and distribution distances by installing power plants near critically constrained load centres.

The German government has provided a EUR 25M grant for a first round, introducing solar-plus-storage as a relatively new feature for Mozambique. This will allow EDM to dispatch energy when most urgently needed and to stabilise the grid at critical demand centres that experience quality of supply constraints.

MIREME is responsible for implementing the GET FiT Programme with assistance from KfW and the national regulator, ARENE, who will co-chair the selection process. The kick-off for the implementation of the Programme took place in May 2022 in Maputo.

Table 7 summarises the donor-financed programmes and initiatives focusing on the development of IPPs in Mozambique, as well as the type of support that they offer. Most programmes

offer technical assistance (TA), while only GET FiT Mozambique, ProEnergia, PROLER and PROLER+ offer grant-based financing to offset investor risk.⁴⁵

TABLE 7. Donor-funded programmes supporting IPPs in Mozambique

| PROGRAMME | IMPLEMENTING AGENCY | PERIOD | TECHNICAL ASSISTANCE | GRANTS | OTHER (GUARANTEE/ RISK MITIGATION) |
|--------------------------|--|-----------|----------------------|--------|------------------------------------|
| EU Resource Centre | AETS | – | ✓ | | |
| ELSGAPI | AFDB | – | ✓ | | |
| GET FiT Mozambique | German Financial Cooperation through KfW | 2022-2034 | ✓ | ✓ | ✓ |
| GET.invest | GIZ | 2024 | ✓ | | |
| ProEnergia | World Bank | 2018-2023 | ✓ | ✓ | ✓ |
| PROLER/PROLER+ | AFD | 2019-2025 | ✓ | ✓ | |
| Public Payment Guarantee | AFD | 2020-2024 | | | ✓ |
| SPEED+/Power Africa | USAID | 2010-2026 | ✓ | | |

Source: ALER, Briefing Renewables in Mozambique 2022.

Exporting power from Mozambique and the potential role of IPPs

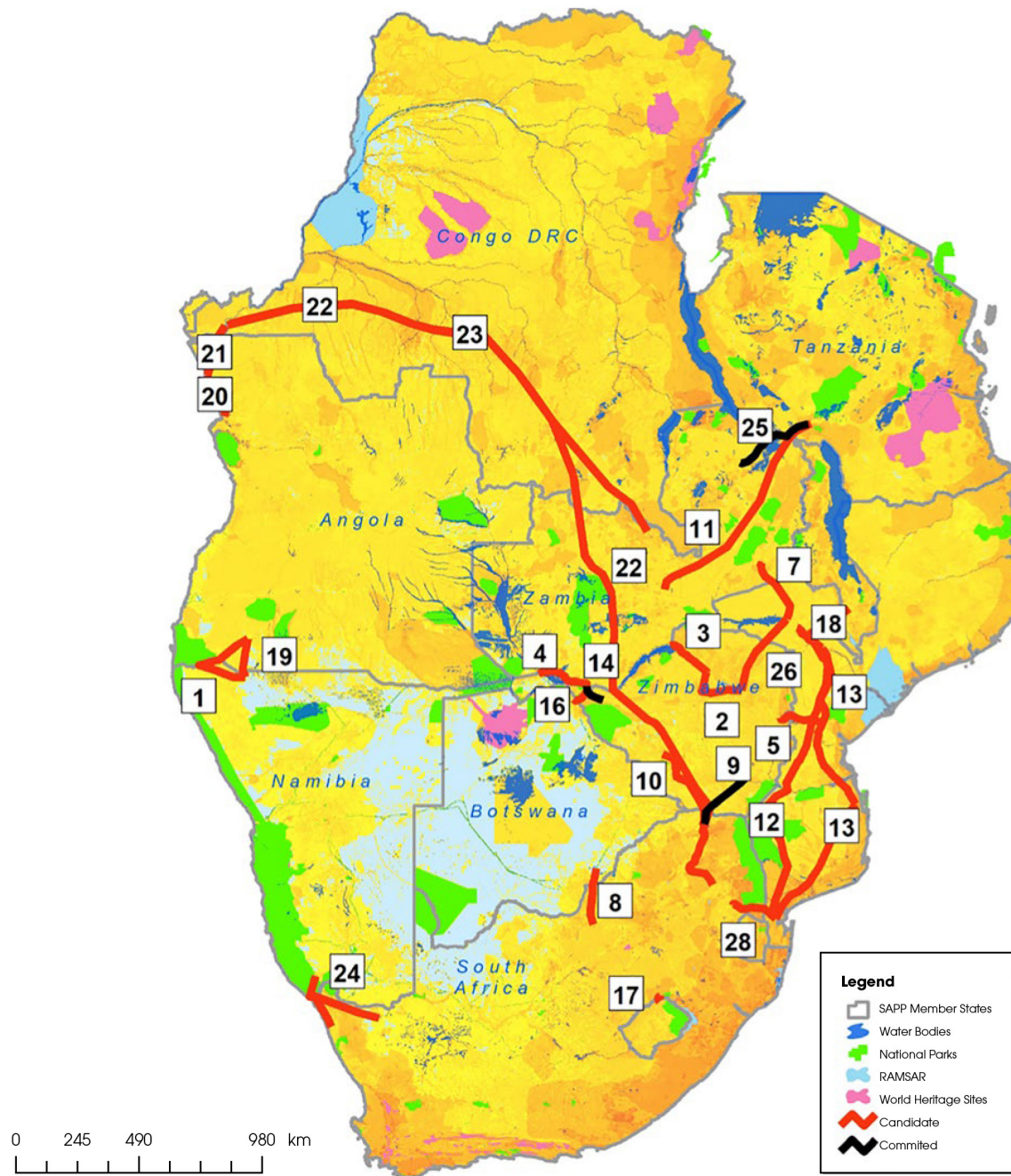
Mozambique is a net exporter of power through the Southern African Power Pool (SAPP), a major integrated regional power system that promotes cooperation in regional electricity planning, operation and trading. To meet projected electricity demand across the SAPP in 2040, regional generation capacity will need to grow to at least 130 GW. Given its unparalleled hydropower generation capacity through HCB and a growing number of IPPs adding to its energy mix, Mozambique is well positioned to meet growing electricity demand both domestically and across southern Africa through the SAPP.

Transmission constraints remain a barrier to expanding trade in the SAPP region. Mozambique is currently investing in its transmission infrastructure to increase the amount of energy it can trade through bilateral contracts. **Figure 14** and **Table 8** show the main existing and committed transmission corridors in the SAPP that will allow for more efficient power trading between countries in the region. Mozambique is well positioned with several interconnections with neighbouring states linking the central and southern generation centres.⁴⁶

45) PROLER provides technical assistance to EDM to create a technical, institutional and legal framework to launch the first tenders for the development of renewable energy power. PROLER+ provides additional subsidy to cover costs incurred by EDM for PV power plants (interconnection to the substation, equity at SPV, E&S compensation, access to energy in the areas around the power plant - CSR).

46) Southern African Power Pool (SAPP) 2021 Annual Report: <https://www.sapp.co.zw/sites/default/files/Full%20Report%20SAPP.pdf>

FIGURE 14. Southern African Power Pool (SAPP) transmission plan



Source: Southern African Power Pool.

TABLE 8. Southern African Power Pool transmission plan

| NO. | FROM | TO | NOTES |
|-----|------------------------|--------------------------|---|
| 1 | Cahama, Angola | Kunene, Namibia | Via Baynes |
| 2 | Alaska | Chakari | Upgrade from 330 kV to 400 kV new lines in Zimbabwe |
| | Chakari | Selous | |
| | Selous | Dema | |
| 3 | Kariba North, Zambia | Alaska, Zimbabwe | |
| 4 | Livingstone, Zambia | Zambezi, Namibia | Reinforcing link to the HVDC in Namibia |
| 5 | Inchope, Mozambique | Orange Grove, Zimbabwe | Part of MOZISA |
| 6 | Songo, Mozambique | Misoro, Zambia | |
| 7 | Isang, Botswana | Watershed, South Africa | |
| 8 | Triangle, Zimbabwe | Nzhelele, South Africa | Committed – part of MOZISA |
| 9 | Insukamini, Zimbabwe | Nzhelele, South Africa | |
| 10 | Kabwe, Zambia | Mbeya, Tanzania | HVDC |
| 11 | Kataxa, Mozambique | Maputo, Mozambique | HVDC – part of STE |
| 12 | Kataxa, Mozambique | Maputo, Mozambique | HVAC – via Inchope - part of STE |
| 13 | Livingstone, Zambia | Hwange, Zimbabwe | Committed – part of ZIZABONA |
| 14 | Pandamatenga, Botswana | Victoria Falls, Zimbabwe | |
| 15 | Clarens, South Africa | Khukhune, Lesotho | |
| 16 | Matambo, Mozambique | Phombeya, Malawi | Possibly linked to Ncondezi, Mozambique |
| 17 | Cahama, Angola | Kunene, Namibia | Direct route an option if Baynes is developed late or if two lines are required in future |
| 18 | N'Zeto, Angola | Luanda area, Angola | |
| 19 | N'Zeto, Angola | Inga, DR Congo | |
| 20 | Inga, DRC | Merensky, South Africa | HVDC line – alternative route could be via Angola, Namibia and Botswana |
| 21 | Inga, DRC | Luano, Zambia | HVDC line |
| 22 | Kudu, Namibia | Oranjemund, South Africa | Connections to Obib, Gromis and Aggeneis |
| 23 | Kasama, Zambia | Mbeya, Tanzania | Committed, 330 kV in Zambia, 400 kV in Tanzania |
| 24 | Songo, Mozambique | Bindura/Dema, Zimbabwe | Upgrade existing line from 330 kV to 400 kV – possibly add second 400 kV |
| 25 | Maputo, Mozambique | Marathon, South Africa | Third 400 kV line supporting MOTRACO |

Source: Southern African Power Pool.

SECTION 4

Route to Market



This section explores the “Route-to-Market” – i.e., how to leverage the market research presented in this Guide to set up an IPP project in Mozambique.

4.1 INVESTMENT OPPORTUNITIES AND MARKET SIZING

As described in [Section 3.3](#), the renewable energy potential for Mozambique is enormous and diverse, with grid connected potential in Mozambique for solar and wind alone totalling 600 MW and 1.1 GW, respectively.

The country has projected a peak demand of 2,750 MW in 2025. There are 836 MW of generation projects in the pipeline – to be commissioned or are either undergoing feasibility studies or their commission dates have yet to be announced – which will meet some of this demand, including 196 MW from solar and 240 MW from wind IPPs (see [Table 5](#)).

Based on the total potential identified by the Renewable Energy Atlas, an estimated total of 289 MW of solar and 960 MW of wind potential remain available for IPP investment. With a forecast of 5,950 MW of peak energy demand in 2043, the entire potential for grid-connected solar and wind resources can be considered as an addressable market.⁴⁷ However, the rate and capacity at which additional RE generation will be needed will depend on the rate of increase in energy demand. The next five-year business plan from EDM (2025-2029) will indicate the upcoming addressable market and the capacity for EDM to absorb new RE IPPs.

4.2 LEGAL AND REGULATORY FRAMEWORK FOR IPPS IN MOZAMBIQUE

The Mozambican government has prioritised investment in the energy sector with the aim of increasing generation capacity by 20 GW of hydropower, gas and renewables. To attract investment to the sector, the GoM has developed investment regulation

operationalised by the Investment and Export Promotion Agency (Agência Para a Promoção de Investimento e Exportações, APIEX). Under the regulation, projects with a minimum value of foreign direct investment of MZN 2.5M (USD 40,000) may be eligible for significant fiscal incentives from APIEX.

The Investment Law that created APIEX (and which is occasionally updated) grants certain tax and customs benefits, depending on the amount, location and sector of the investment activity. The current incentive schemes comprise the following:

- 1) Fiscal and customs benefits:** Without exemptions, the general VAT in Mozambique is 17% and customs duties are up to 20%. Investments carried out under the Investment Law are exempt from customs duties and VAT on the import of capital goods and their accompanying parts and accessories, classified as Class K of the customs tariff. This is applicable to energy infrastructure projects.
- 2) Tax credit per investment:** Investments carried out in Maputo City benefit for five tax years from a deduction to Corporate Income Tax (Imposto sobre o Rendimento das Pessoas Colectivas, IRPC, or withholding tax). The deduction is equal to 5% of the total investment realised. The percentage is 10% in all other provinces. Without exemptions the general IRPS (withholding tax) for Mozambique is 32%.

Specifically for energy infrastructure projects, the following incentives with respect to IRPC apply:

- An 80% reduction in the rate of IRPC tax in the first five tax years
- A 60% reduction in the rate of IRPC from the 6th to the 10th tax years
- A 25% reduction in the rate of IRPC from the 11th to the 15th tax years

47) EDM INTEGRATED MASTER PLAN 2018-2043: <https://www.edm.co.mz/en/document/reports/integrated-master-plan-2018-2043>

Developers are to obtain approval for their investments from APIEX. The APIEX website offers a tax exemption calculator.⁴⁸ The process for obtaining fiscal incentives includes the following steps:

- 1) Identification of location (land or premises)
- 2) Elaborate a project feasibility study
- 3) Apply for authorisation submitting a project proposal to APIEX (three copies) accompanied by the following documents:
 - Incorporate the implementing company at a notary public and publish its status in the official gazette
 - Bank references and evidence of the necessary financial capacity to undertake the project
 - Copy of the passport or identification card of each investor
 - If it is a company that will be investing, a copy of the certificate of registration of the same
 - List of equipment to be imported classified as “class K”

4.3 REGISTERING A BUSINESS IN MOZAMBIQUE

In 2020, Mozambique ranked 176th out of 190 countries in the World Bank’s ‘Doing Business’ index for starting a new business.⁴⁹ This relatively poor ranking is justified by an overall lack of automation in the business registration process. The process to register a company in the country can take up to 90 days. All provinces have implemented “one-stop-shop” windows (Balcão

FIGURE 15. Overview of procedures to register a company in Mozambique⁵⁰



COMPANY NAME RESERVATION – 1 DAY

A name reservation certificate is valid after which the certificate can be renewed and it costs approximately MZN 300, roughly USD 4.5.

APPROVAL OF INCORPORATION OF THE COMPANY – 1 TO 3 DAYS

The cost of incorporation of a company is contingent upon the amount of its capital share.

PUBLICATION OF THE COMPANY’S ARTICLES OF ASSOCIATION – 15 TO 30 DAYS

The fee is in accordance with the number of pages and number of lines of the physical copy of the articles of association.

TAX PAYER REGISTRATION – 2 TO 3 DAYS

No cost. It is mandatory that the company is registered at the tax authority.

48) Agência para a Promoção de Investimento e Exportações: <https://www.pmaputo.gov.mz/por/Servicos/Agencia-para-a-Promocao-de-Investimento-e-Exportacoes>

49) World Bank Ease of Doing Business in Mozambique, 2020: <https://archive.doingbusiness.org/en/data/exploreconomies/mozambique>

50) See **Annex B** for more details on the number of days needed to go through the entire process.

de Atendimento Único, BAÚ). Nevertheless, they are not all equipped with representatives from the institutions required to complete the registration process.

There are no local rules in place requiring companies to reserve a certain percentage of their shareholdings for local partners. However, certain regulations may set out specific rules on share ownership in connection with specific business sectors. In the energy sector, the application of the Electricity Law and the Public-Private Partnership (PPP) Law triggers the requirement of state participation in all projects developed under a PPP.

There are no restrictions regarding directors' nationality or residency. Any person can be appointed director, whether or not he or she is a member of the company.

The development of power projects in Mozambique is regulated under the Electricity Law and the PPP Law, and, as such, the type of companies to develop such projects must be incorporated in the form of a limited company by shares (SA). The Mozambican Commercial Code (Código Comercial Moçambicano, CCM), approved by Decree-Law No. 2/2005, as amended, defines the legal regime applicable to the exercise of commercial activities in Mozambique.

There are two main types of limited liability companies in Mozambique:

- 1) Limited liability company by shares – *Sociedade Anónima* ("SA")
- 2) Limited liability company by quotas – *Sociedade por Quotas* ("Lda")

There is no statutory minimum share capital needed to incorporate a company. However, the share capital of the company must be in an amount appropriate to the business that it plans to conduct. A minimum of three (3) shareholders is required to incorporate an SA company, whereas Lda companies require a minimum of only two (2) quota-holders. It is worth noting that the CCM prescribes that Lda companies can have up to 30 quota-holders, but there is no limitation as to the maximum number of shareholders for SA companies.

Annex B provides a list of legislation governing the registration of a business in Mozambique. **Annex C** provides additional key licences and registration procedures for the following:

- Process for registration to be able to repatriate funds.
- Environmental licences needed
- Labour conditions

4.4 FINANCING IPP DEVELOPMENT IN MOZAMBIQUE

An assessment of the local banking sector in Mozambique found no specific credit lines tailored to IPPs in the country. Financing is therefore subject to commercial debt-based financing indexed at the prime interest rate and offered according to the specific conditions dictated by various commercial banks operating in the country. Between 2001 and 2021, the average lending rate in Mozambique was 19.56%, reaching an all-time high of 29.75% in October 2002 and a record low of 14.23% in September 2015.⁵¹ Table 9 lists banks that offer credit to both individual consumers and companies in Mozambique.

51) Mozambique Prime Lending Rate: <https://tradingeconomics.com/mozambique/lending-rate>

TABLE 9. Financial institutions active in Mozambique

| FINANCIAL INSTITUTION | WEBSITE |
|--|--|
| ABSA | www.absa.co.mz |
| Access Bank | www.accessbankplc.com |
| Banco Commercial de Investimaentos (BCI) | www.bci.co.mz |
| Banco de Investimento Global (BiG) | bancobig.co.mz |
| Banco Nacional de Investimentos (BNI) | www.bni.co.mz |
| Ecobank | www.ecobank.com/mz/ |
| First Capital Bank | firstcapitalbank.co.mz |
| First National Bank (FNB) | www.fnb.co.mz |
| Millennium BIM | millenniumbim.co.mz |
| Moza Banco | www.mozabanco.co.mz |
| Nedbank | online.nedbank.co.mz |
| Société Générale | societegenerale.co.mz |
| Standard Bank | www.standardbank.co.mz |
| United Bank of Africa | www.ubamozambique.com |

Local bank interest rates are considered high for those seeking loans for renewable energy projects. For this reason, IPPs logically opt for international financing as part of a direct foreign investment into the project. Loans acquired from international institutions, however, must be registered with the Bank of Mozambique as to allow for repayment and incurs a (20%) withholding tax on the interest that needs to be paid to the central bank.

International blended finance instruments may offer the necessary mix of capital to make projects viable. **Table 10** lists financing facilities offering debt, equity, grant or guarantee-based instruments for Mozambique, according to the GET.invest Funding Database.⁵²

Annex A includes a comprehensive list and description of these facilities.

TABLE 10. Type of funding and number of financing instruments available for IPP developers in Mozambique

| TYPE OF FUNDING | NUMBER OF INSTRUMENTS | TICKET SIZE RANGE |
|-----------------|-----------------------|--|
| Debt | 24 | 100,000 to more than 10,000,000 Euro/USD |
| Equity | 21 | 500,000 to more than 10,000,000 Euro/USD |
| Grant | 10 | 0 to 3,000,000 Euro/USD |
| Guarantee | 7 | Varies |

52) GET.invest Funding Database: <https://www.get-invest.eu/funding-database/>

4.5 IPP MARKET OUTLOOK

With abundant and variable resources for electricity generation, the government of Mozambique can choose the resources that it prefers to utilise for its national electricity supply and for the regional market. The government currently has set a priority for electricity generation to focus on clean and low-cost generation resources, a commitment which has led to an increase of renewable energy IPPs in the energy generation mix (and in the pipeline of projects to be commissioned in the coming years). The government also provides different tax incentives to IPP developers using clean sources of energy.

The total available grid-connected solar potential of 289 MW represents the total market potential for solar IPPs, while the total available grid-connected wind potential of 960 MW represents the total market potential for wind IPPs. These two RE IPP markets can be tapped into through solicitations from the government and its development partners via public tenders or through unsolicited proposals from IPP developers. However, given that this market is very much dependent on the ability of EDM to absorb the produced energy into the national grid, developers must be sensitive to the needs of EDM in terms of energy generation.

This Developer Guide is complemented by two model business cases that analyse the financial feasibility of two hypothetical IPP projects: (1) a 40 MWp solar IPP project without battery storage; and (2) a 20 MWp solar IPP project with battery storage.

ANNEX A

Financing Instruments Available for IPP Developers in Mozambique⁵³

TABLE A1. Financing instruments available for IPP developers in Mozambique

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|--|--|-------------------------------------|----------------------|
| A/B Loan Programme Fund manager: FMO | FMO is a Dutch entrepreneurial development bank with investments that span 85+ countries supporting job and income generation by helping businesses operate and grow transparently in an environmentally and socially responsible manner. FMO partners with commercial banks, impact investors, institutional investors and development finance institutions to finance loans via their A/B Loan Programme or other co-financing arrangements. FMO offers a full range of financing solutions for energy generation and distribution projects, off-grid solutions, refurbishments and efficiency improvements. | Debt | Pre-development | 3,000,000-10,000,000 (EUR) | Email: info@fmo.nl |
| | | Senior debt | Early stage (pre-PPA) | | Phone: +3170 3149696 |
| | | Junior or sub-ordinated debt (non-convertible) | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | | |

53) GET.invest Funding Database: <https://www.get-invest.eu/funding-database/>

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|---|---|-------------------------------------|---|
| Access to Clean Power Fund (ACPF) Fund Manager: ResponsAbility | <p>The Access to Clean Power Fund (ACPF) provides debt financing to entities operating across the entire energy sector value chain. Senior and subordinated (secured and/or unsecured) corporate loans are provided. Other structures such as special purpose vehicles (off-balance sheet transactions) are also considered.</p> <p>Since the company's inception in 2003, ResponsAbility-managed funds have disbursed USD 10+ bn in private debt and private equity to companies in the financial inclusion, sustainable food and climate finance sectors whose business models directly support the United Nation's Sustainable Development Goals (SDGs).</p> | <p>Debt</p> <p>Senior debt</p> <p>Junior or subordinated debt (non-convertible)</p> | <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | <p>3,000,000-10,000,000 (EUR)</p> | <p>Email: energy@responsability.com</p> <p>Phone: +41 44 403 0500</p> |
| The Africa Renewable Energy Fund II (AREF II) Loan Manager: Berkeley Energy | <p>Private equity fund focused on developing, building and operating clean energy assets across sub-Saharan Africa. AREF II targets run-of-river hydro-power, wind and solar projects, as well as battery storage opportunities.</p> <p>Berkeley Energy is a renewable energy fund manager investing in Asian and African emerging markets. Berkeley Energy works with its partner companies to provide engineering, management and financial support, while offering the ability to act as a bankable sponsor for renewable power projects.</p> | <p>Equity</p> | <p>Pre-development</p> <p>Early stage (pre-PPA)</p> <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | | <p>Email: contact@berkeley-renewables.com</p> <p>Phone: (+62) 21 25197551</p> |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|-----------------|--|-------------------------------------|-----------------------------------|
| AfricaConnect | <p>Africa connect provides loans to companies with a profitable business model and sufficient equity, including European companies active in Africa and African companies with long-term business relationships with European companies.</p> <p>DEG is a German development finance institution and a subsidiary of KfW that promotes private sector job creation, boosting economic growth and supporting the transfer of know-how. DEG's portfolio exceeds EUR 9B with investments in 80+ countries.</p> | Debt | <p>For IPPs:</p> <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | 1,000,000-3,000,000 (EUR) | Email: africaconnect@deginvest.de |
| <p>AfricaGoGreen</p> <p>Manager: Lion's Head Assets Management (LHGP)</p> | <p>AfricaGoGreen is a debt fund initiated by KfW in 2020 to promote private investments that mitigate or reduce greenhouse gas emissions. They target corporate and industrial entities, local financial institutions, aggregators and other businesses developing and/or investing in energy efficiency and renewable energy projects. The fund provides a range of debt instruments including secured and unsecured loans in hard and local currencies. The fund generally works with clients to tailor a financing solution that works for all parties.</p> <p>LHGP Asset Management is a UK FCA-regulated alternative asset manager part of Lion's Head Group. It specialises in fund management and financial advisory for innovative financial strategies and transactions across Africa.</p> | Debt | Late stage (equity partner, pre-EPC contract + debt financing) | 3,000,000-10,000,000 (EUR) | Email: agg@lhgp.com |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|-----------------|--|-------------------------------------|---|
| ARCH Africa Renewable Power Fund (ARPF) | ARCH Africa Renewable Power Fund (ARPF) is a dedicated private equity fund focused on renewable power generation (on- and off-grid) in sub-Saharan Africa (excluding South Africa). | Equity | Early stage (pre-PPA) Mid stage (post-PPA) | 3,000,000-10,000,000 (USD) | Email: info@archempartners.com Phone: +44 203 974 7700 |
| Manager: ARCH Emerging Markets Partners | ARCH is a specialised investment advisor with deep experience in emerging markets, private equity, asset management and legal and governance matters over many decades. | | Late stage (equity partner, pre-EPC contract + debt financing) | | |
| The Business Development Support Fund (BDSF) | The Business Development Support Fund (BDSF) offers grants and co-finances technical assistance, feasibility studies and investment support for innovative small- and medium-sized enterprises. | Grant | Consulting services delivered by third party consultants provided either by the funding agency or selected by competitive tender | 0-500,000 (EUR) | Email: infrastructure@bio-invest.be |
| Manager: Belgian Investment Company for Developing Countries (BIO) | The Belgian Investment Company for Developing Countries (BIO) is the fund manager for the Business Development Support Fund (BDSF). BIO is a development finance institution created in 2001 out of a public-private partnership between the Belgian state and the Belgian Corporation for International Investment. Its mission is to support the private sector in developing countries by providing long-term financing for small- and medium-sized enterprises and microfinance institutions. | | Project specific services delivered by the grantee itself | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|--|-----------------|---|-------------------------------------|--|
| Climate Investor One (CIO) Manager: Climate Fund Managers (CFM) | Climate Investor One (CIO) is a blended finance facility investing in renewable energy infrastructure projects in emerging markets. CIO offers financing for the entire lifecycle of a project, from design to construction and into operations. The equity financing will meet up to 75 percent of total construction costs in tandem with the project sponsor. Climate Fund Managers (CFM) is the fund manager of Climate Investor One. CFM is a joint venture between FMO and Phoenix InfraWorks, both experienced in infrastructure investing, asset and fund management. | Equity | Early stage (pre-PPA) Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | More than 10,000,000 (USD) | Email: info@climatefundmanagers.com Phone: +31 (0)70 204 5205 |
| Climate Investor One (CIO) Manager: Climate Fund Managers (CFM) | Climate Investor One (CIO) is a blended finance facility investing in renewable energy infrastructure projects in emerging markets. CIO offers financing for the entire lifecycle of a project, from design to construction and into operations. The debt financing component funds up to 50 percent of the planning and development stage of a project. | Debt | For IPPs: Pre-development Early stage (pre-PPA) | | Email: info@climatefundmanagers.com Phone: +31 (0)70 204 5205 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|--|-----------------|--|---|-------------------------------------|
| Debt Facility Manager: Belgian Investment Company for Developing Countries (BIO) | <p>The Belgian Investment Company for Developing countries (BIO) offers a wide range of direct medium- and long-term loans at fixed and variable rates to support the sustainable growth of a strong private sector in developing countries.</p> <p>Belgian Investment Company for Developing Countries (BIO) is a development finance institution that was created in 2001 out of a public-private partnership between the Belgian state and the Belgian Corporation for International Investment. Its mission is to support the private sector in developing countries by providing long-term financing for small- and medium-sized enterprises and microfinance institutions.</p> | Debt | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | 3,000,000-10,000,000 (EUR) | Email: infrastructure@bio-invest.be |
| Debt Facility Manager: Trine | Trine provides debt capital in the form of construction and project finance for solar energy projects and companies in sub-Saharan Africa, Latin America and Southeast Asia. Partners of Trine get access to a debt facility of EUR 1-15M, from which they can draw down in tranches for projects ranging from EUR 100k-3M. | Debt | Late stage (equity partner, pre-EPC contract + debt financing), construction financing for 6-18 months (off and on balance sheet) | 100,000-500,000 (EUR) (Average is on the upper end of this range, and typically in tranches of minimum EUR 100,000) | Email: finance@trine.com |
| Debt Facility Manager: British International Investment (formerly CDC Group) | <p>British International Investment provides debt to renewable energy businesses and projects in priority sectors through project finance, corporate lending, trade finance and lending to financial institutions.</p> <p>British International Investment is a UK development finance institution that helps solve global development challenges by investing patient, flexible capital to support private sector growth and innovation in Africa and South Asia.</p> | Debt | Pre-development Early stage (pre-PPA) Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | Vary by country and project specifics – up to 5 years for solar home systems; up to 10 years for mini-grids; 7-15 years for C&I | Email: enquiries@bii.co.uk |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|--|---|--|---|
| Debt Facility Manager: FinnFund | FinnFund is a development financier providing businesses operating in developing countries with risk capital, long-term investment loans, mezzanine financing and expertise on how to invest in emerging markets. Projects should be profitable, socially and environmentally responsible and produce measurable development impact in their target countries. Finnfund focuses on renewable energy, sustainable forestry, sustainable agriculture and financial institutions. | Debt Senior debt Junior or subordinated debt (non-convertible) | Late stage (equity partner, pre-EPC contract + debt financing) | 3,000,000-10,000,000 (EUR) | Email: jussi.tourunen@finnfund.fi Phone: (+358) (0)9 348 434 |
| Debt Facility Manager: Proparco | Proparco offers loans (from EUR 3M to EUR 100M), in foreign or local currency to companies and financial institutions with long maturities (up to 20 years), and a grace period for the repayment of capital, where warranted. This financing is tailored to the environment and needs of clients. Société de Promotion et de Participation pour la Coopération Economique (Proparco) is a French development finance institution and a subsidiary of Agence Française de Développement (AFD) focused on private sector development. Proparco provides funding and support to businesses and financial institutions across Africa, Asia, Latin America and the Middle-East in line with the Sustainable Development Goals. | Debt Senior debt Junior or subordinated debt (non-convertible) Mezzanine Debt | Early stage (pre-PPA) on a case-by-case basis Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | More than 10,000,000 (EUR) (Maximum loan amount is up to 100 million EUR) | Email: proparco@proparco.fr Phone: (+33) 1 53 44 31 08 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|--|--|---------------------|-------------------------------------|--|
| Debt Facility Manager: AlphaMundi Group Ltd | AlphaMundi provides debt and equity financing to scalable social ventures in strategic sustainable human development sectors such as microfinance, affordable education, fair trade agriculture and renewable energy. AlphaMundi Group Ltd. is a Swiss impact investing advisory firm that was created in 2008 to provide market-based solutions to the world's most pressing challenges, including sustainable agriculture, renewable energy and financial services to the poor. Over the last decade, AlphaMundi Group has invested EUR 60M+ through 150+ transactions in 50+ SMEs across Latin America and Africa, impacting more than five million beneficiaries. | Debt Senior debt | | 500,000-1,000,000 (USD) | Email: info@alphamundi.ch Phone: (+41) 44 508 05 56 |
| Debt Financing Manager: Mirova SunFunder | SunFunder provides debt financing for companies in developing markets. SunFunder can invest in companies and projects working on a broad range of clean energy and climate-related sectors, including off-grid solar, mini-grids, productive-use, C&I solar, telecom ESCO, energy storage and efficiency, low-carbon cooling, e-mobility and climate-smart agriculture. SunFunder is a fund manager and specialised financing company dedicated to pioneering and scaling clean energy and climate investments in emerging markets. | Debt Junior or sub-ordinated debt (non-convertible) | | 1,000,000-3,000,000 (USD) | Email: borrower@sunfunder.com Phone: +44 7873 163 503 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|-----------------|--|---|-------------------------------|
| DeveloPPP Manager: DEG | <p>The develoPPP programme supports companies that wish to operate in emerging markets on a long-term basis. develoPPP Classic idea competitions happen four times per year and support established companies with grant funding for a maximum of 50% of project costs for up to EUR 2M. develoPPP Ventures idea competitions happen twice per year and support young companies active in emerging markets with grant funding up to EUR 100k.</p> <p>DEG is a German development finance institution and a subsidiary of KfW that promotes private sector job creation, boosting economic growth and supporting the transfer of know-how. DEG's portfolio exceeds EUR 9B with investments in 80+ countries. Programme funds are provided by the German Federal Ministry for Economic Cooperation and Development (BMZ).</p> | Grant | Project specific services delivered by the grantee itself | <p>50,000-200,000 (EUR) more than 1,000,000 (EUR)</p> <p>For develoPPP Classic: Max 50% of project costs. Typically, from EUR 100,000 and up to EUR 2 million. For develoPPP Ventures: grant funding up to 100,000 EUR. At least 50% of the total investment must be contributed by the company in the form of new capital (from sponsors or investors). At least half of these funds must be provided in the form of equity.</p> | Email: developpp@deginvest.de |
| EEP Africa Catalyst Window Manager: Nordic Development Fund (NDF) | <p>The Energy and Environment Partnership Trust Fund (EEP) Africa Catalyst Window offers flexible follow-on debt financing to successful companies from the EEP Innovation grant portfolio, with the purpose of closing financing gaps and crowding in new investors. The Energy and Environment Partnership Trust Fund (EEP Africa) is a clean energy financing facility managed and funded by the Nordic Development Fund (NDF), with additional funding from the governments of Austria and Finland. EEP Africa provides catalytic financing to innovative clean energy projects, technologies and business models in 15+ countries across East and Southern Africa.</p> | Debt | <p>Early stage (pre-PPA)</p> <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | <p>1,000,000-3,000,000 (EUR)</p> <p>(Target range is 500,000 – 1.5 million, with some flexibility)</p> | Email: info@eepafrica.com |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|----------------------------------|--|---|--|-------------------------------------|---------------------------|
| EEP Africa Innovation Window | Energy and Environment Partnership Trust Fund (EEP) Africa Innovation window provides early-stage grant financing for innovative clean energy projects in active development through competitive calls-for-proposal. | Grant | Consulting services delivered by third party consultants selected by grantee on sole source basis | 100,000-500,000 Euros | Email: info@eepafrica.com |
| Manager: NDF | Companies, start-ups and social enterprises are eligible to apply, and the project must be implemented in one or more of the 15 countries in East and Southern Africa covered by EEP Africa. | Applicant groups with special set-asides or additional evaluation points: | Consulting services delivered by third party consultants provided either by the funding agency or selected by competitive tender | | |
| | Projects are evaluated based on concept innovation, development impact, business model and financial sustainability. The Energy and Environment Partnership Trust Fund (EEP Africa) is a clean energy financing facility managed and funded by the Nordic Development Fund (NDF), with additional funding from the governments of Austria and Finland. EEP Africa provides early-stage grant and catalytic financing to innovative clean energy projects, technologies and business models in 15+ countries across East and Southern Africa. | Women-owned enterprises | Project specific services delivered by the grantee itself | | |
| | | Indigenous-owned/nationally-owned enterprises | Grantee's general operating costs | | |
| | | Additional evaluation points for start-up companies | Capital expenditures | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|--|--|-------------------------------------|--|
| Electrifi Manager: EDFI Management Company (EDFI MC) | The Electrification Financing Initiative (Electrifi) is an EU-funded impact investment facility that finances early-stage private companies and projects, focusing on new/improved electricity connections, as well as on generation capacity from sustainable energy sources. It has a global scope with a particular focus on sub-Saharan Africa. EDFI Management Company (EDFI MC) is a subsidiary of EDFI, the Association of European Development Finance Institutions. EDFI MC provide development finance solutions that enable European DFIs and private sector companies to increase the scale and impact of their investments. | Debt | Mid stage (post-PPA) | 1,000,000-3,000,000 (EUR) | Email: electrifi@edfimc.eu Phone: (+32) 2 503 23 76 |
| | | Senior debt | Late stage (equity partner, pre-EPC contract + debt financing) | | |
| | | Junior or sub-ordinated debt (non-convertible) | | | |
| Electrifi Manager: EDFI Management Company (EDFI MC) | The Electrification Financing Initiative (Electrifi) is an EU-funded impact investment facility. It finances early-stage private companies and projects, focusing on new/improved electricity connections as well as on generation capacity from sustainable energy sources. It has a global scope with a particular focus on sub-Saharan Africa. | Equity | Mid stage (post-PPA) | 1,000,000-3,000,000 (EUR) | Email: electrifi@edfimc.eu Phone: (+32) 2 503 23 76 |
| | | Applicant groups with special set-asides or additional evaluation points | Late stage (equity partner, pre-EPC contract + debt financing) | | |
| | | Women-owned enterprises | | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|--|-----------------|---|-------------------------------------|---|
| Empower Invest Manager: Empower New Energy | <p>Empower Invest mobilises capital for impact investment in renewable energy projects in Africa at a portfolio level. Once projects are operational, Empower manages the assets and receives revenues, reducing transaction costs.</p> <p>Empower New Energy is an international impact investment company investing in small- and medium-sized renewable energy projects in developing countries, with a focus on Africa.</p> | Equity | | 3,000,000-10,000,000 (USD) | <p>Email: contact@empowernewenergy.com</p> <p>Phone: +47 934 10 055</p> |
| EnAccess Manager: EnAccess | <p>EnAccess funds open-source solutions for energy access through Innovation Pilots and “Moonshot” concepts. Innovation Projects create hardware, software, or operational toolkits that companies around the world can use and immediately benefit from, while Moonshot Concepts are open-ended research projects that promote new ideas in the industry.</p> <p>EnAccess is a non-profit organisation funding open-source solutions for energy access.</p> | Grant | Consulting services delivered by third party consultants selected by grantee on sole source basis | 5,000-50,000 (USD) | Email: info@enaccess.org |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|---|--|-------------------------------------|--|
| Energy Access Ventures (EAV) Manager: EAV | Energy Access Ventures (EAV) is a private equity fund investing in next generation “smart infrastructure” companies in Africa. EAV targets smaller renewable energy businesses in Africa that specialise in promoting low-carbon and low-cost electricity access solutions in rural areas. Energy Access Ventures is a Paris-based private equity and venture capital firm specialising in the technology and energy sectors, including hydroelectricity, biomass, solar, wind and thermal power. | Equity Applicant groups with special set-asides or additional evaluation points Indigenous-owned/nationally-owned enterprises | | 500,000-1,000,000 (EUR) | Email: admin@eavafrica.com Phone: (+254) 796 03 50 41 |
| Energy Entrepreneurs Growth Fund (EEGF) Manager: Triple Jump | Energy Entrepreneurs Growth Fund (EEGF) is an investment fund providing catalytic financing and technical assistance to early- and growth-stage companies in sub-Saharan Africa operating in the access to energy market. The Energy Entrepreneurs Growth Fund (EEGF) is managed by Triple Jump and advised by Persistent Energy. Triple Jump is an impact focused investment manager that has disbursed EUR 1.2B+ in loans in over 75 emerging economies around the world since 2010. Persistent Energy is a leading expert and pioneer investor in the off-grid sector building commercially successful businesses for sustainable socio-economic impact and combating climate change. | Debt Senior debt Junior or sub-ordinated debt (non-convertible) | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | 3,000,000-10,000,000 (USD) | Email: info@triplejump.eu Phone: +31 20 5120620 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|-----------------|--|-------------------------------------|-----------------------------------|
| Energy Entrepreneurs Growth Fund (EEGF) | Energy Entrepreneurs Growth Fund (EEGF) is an investment fund providing catalytic financing and technical assistance to early- and growth-stage companies in sub-Saharan Africa operating in the access to energy market. | Equity | Mid stage (post-PPA) | 3,000,000–10,000,000 (USD) | Email: info@triplejump.eu |
| Manager: Triple Jump | The Energy Entrepreneurs Growth fund (EEGF) is managed by Triple Jump and advised by Persistent Energy. | | Late stage (equity partner, pre-EPC contract + debt financing) | | Phone: +31 20 5120620 |
| Equity Facility | Finnfund is a development financier that invests in responsible and profitable businesses in developing countries. Finnfund provides businesses operating in developing countries with risk capital, long-term investment loans, mezzanine financing and expertise on how to invest in the emerging markets. FinnFund expects projects to be profitable, socially and environmentally responsible and produce measurable development impact in their target countries | Equity | Late stage (equity partner, pre-EPC contract + debt financing) | 3,000,000-10,000,000 (EUR) | Email: jussi.tourunen@finnfund.fi |
| Manager: Finnfund | Finnfund focuses on renewable energy, sustainable forestry, sustainable agriculture and financial institutions. | | | | Phone: (+358) (0)9 348 434 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|-----------------|--|-------------------------------------|---|
| Equity Facility Manager: FMO | FMO offers a full range of financing solutions for energy generation and distribution projects, off-grid solutions, refurbishments and efficiency improvements. FMO is a Dutch entrepreneurial development bank with investments that span 85+ countries supporting job and income generation by helping businesses operate and grow transparently in an environmentally and socially-responsible manner. | Equity | Pre-development Early stage (pre-PPA) Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | Varies | Email: info@fmo.nl Phone: +3170 3149696 |
| Equity Facility Manager: Proparco | Proparco offers various equity investments directly into companies and via financial intermediaries, particularly investment funds. Société de Promotion et de Participation pour la Coopération Economique (Proparco) is the French Development Finance Institution. It is a subsidiary of the French Agence Française de Développement (AFD) focused on private sector development. It provides funding and support to businesses and financial institutions across Africa, Asia, Latin America and the Middle East in line with the Sustainable Development Goals (SDGs). | Equity | | | Email: proparco@proparco.fr Phone: (+33) 1 53 44 31 08 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|-----------------|--|---|-------------------------------------|
| Equity Investments | The Belgian Investment Company for Developing Countries (BIO) offers both equity and quasi-equity to support renewable energy infrastructure investments in developing and emerging countries. | Equity | Late stage (equity partner, pre-EPC contract + debt financing) | 3,000,000-10,000,000 (EUR) | Email: infrastructure@bio-invest.be |
| Manager: BIO | Belgian Investment Company for Developing Countries (BIO) is a development finance institution that was created in 2001 out of a public-private partnership between the Belgian state and the Belgian Corporation for International Investment. Its mission is to support the private sector in developing countries by providing long-term financing for small- and medium-sized enterprises and microfinance institutions. | | | | |
| Public Payment Guarantee (PPG) | In partnership with the European Union (EGRE NS programme), AFD has developed a Public Payment Guarantee to encourage development of renewables energies in Africa, without recourse to the State (non-sovereign instrument). This guarantee mechanism covers payment defaults by public entities (governments, state-owned companies or local authorities) and aims at mobilising private investments in renewable projects. | Guarantee | | Non-payment of amounts due under a power purchase agreement (PPA), 12 months maximum. | Email: dogeta@afd.fr |
| Manager: Agence Française de Développement (AFD) | Agence Française de Développement (AFD) is a French public financial institution committed to providing financing and technical assistance to projects that promote sustainable development in developing and emerging countries. | | | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|--|-----------------|----------------------|-------------------------------------|---|
| European Guarantee for Renewable Energy (EGRE) – Non-Sovereign, (Cassa Depositi e Prestiti – CDP) Manager: Cassa Depositi e Prestiti | <p>The European Guarantee for Renewable Energy (EGRE) – Non-Sovereign, led by the Italian Development Financial Institution Cassa Depositi e Prestiti, provides partial risk offtake guarantees to power producers through a financial intermediary. The guarantees cover non-sovereign risk where no counter-guarantee from the host government is available. It is part of a European collaborative platform for guarantees jointly proposed by the French Development Agency (AFD), KfW (the German Development Bank), CDP, and EIB (the European Investment Bank).</p> <p>Cassa Depositi e Prestiti (CDP) is an Italian development financial institution with a mandate to promote international development, cooperation, and growth. CDP is committed to financing sustainable development, supporting infrastructure and energy investments in developing countries.</p> | Guarantee | | Varies | Email: PianoJunckerEsterno@cdp.it |
| Evolution II Manager: Inspired Evolution Investment Management | <p>Evolution II is a 10-year close-ended fund with a mandate for equity and equity-related investments into two main investment streams – development and project finance in clean and sustainable energy, and growth equity investments in energy and resource efficiency companies – and their value chains.</p> <p>Inspired Evolution is a specialised investment advisory firm focusing on sustainable energy and resource efficiency investments across sub-Saharan Africa.</p> | Equity | Mid stage (post-PPA) | 3,000,000-10,000,000 (USD) | <p>Email: General: info@inspiredevolution.co.za</p> <p>East Africa: joseph@inspiredevolution.co.za</p> <p>South Africa: chris@inspiredevolution.co.za</p> |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|-----------------|---|---|--|
| Facility for Energy Inclusion Manager: LHGP Asset Management | <p>The Facility for Energy Inclusion is a debt fund anchored by the African Development Bank (AfDB) and supported by the European Union, Nor-Fund, KfW, Clean Technology Fund and OeEB to lend to renewable energy initiatives across Africa. FEI is designed to support small-scale independent power producers (IPPs), mini-grids and on-site commercial and industrial (C&I) captive power projects. Priority is for projects in African countries with lower electricity access rates. Eligible investments are projects using renewable energy technology with installed capacity below 25MW.</p> <p>LHGP Asset Management is a UK FCA-regulated alternative asset manager part of Lion's Head Group. It specialises in fund management and financial advisory for innovative financial strategies and transactions across Africa.</p> | Debt | Late stage (equity partner, pre-EPC contract + debt financing) | More than 10,000,000 (EUR) | Email: fei-info@lhgp.com |
| Feasibility Study Manager: DEG | <p>DEG Feasibility Study covers a share of the costs (up to EUR 200k) of European SMEs planning to invest in a developing country and conduct a feasibility or environmental impact study, a legal survey or a market analysis. DEG will finance feasibility studies intended for the preparation of realistic investments, in particular those related to new technology, processes and services in developing countries.</p> <p>DEG is a German development finance institution and a subsidiary of KfW that promotes private sector job creation, boosting economic growth and supporting the transfer of know-how. DEG's portfolio exceeds EUR 9B with investments in 80+ countries. Programme funds are provided by the German Federal Ministry for Economic Cooperation and Development (BMZ).</p> | Grant | <p>Consulting services delivered by third party consultants selected by grantee on sole source basis</p> <p>Project specific services delivered by the grantee itself</p> | <p>50,000-200,000 (EUR)</p> <p>Max of 50% of the costs for each feasibility study and up to EUR 200,000</p> | <p>Email: machbarkeitsstudien@deginvest.de</p> <p>Phone: +49 (0) 221 4986-1128</p> |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|---|---|-------------------------------------|--|
| Fintech Credit Fund | Fintech Credit Fund blends commercial and impact capital to provide investment opportunities for investors across a range of risk and return preferences. The fund will invest in senior-secured and off-balance sheet debt facilities to fintech companies across frontier and emerging markets. | Debt Senior debt | Lendable is the fund manager for Fintech Credit Fund. Lendable provides capital to financial services companies in emerging and frontier markets. | 3,000,000-10,000,000 (USD) | Email: contact@lendable.co.uk Phone: (+020) 3322 1948 |
| Gaia Impact Fund Manager: Gaia Impact Fund | Gaia Impact Fund is a venture capital firm specialising in renewable energy, investing and building long-term partnerships with start-ups and SMEs operating in sub-Saharan Africa and Southeast Asia with a strong environmental and social focus. | Equity Applicant groups with special set-asides or additional evaluation points Indigenous-owned/nationally-owned enterprises | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | 500,000-1,000,000 (USD) | Email: contact@gaia-impactfund.com |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|---|---|-------------------------------------|---|
| Global Climate Partnership Fund (GCPF) Manager: ResponsAbility Investments AG | <p>The Global Climate Partnership Fund (GCPF) uses public funds to leverage private investments in renewable energy and energy efficiency in developing economies. The fund finances projects predominantly via local financial institutions and also directly primarily as a debt provider. Equity investment may be provided in certain limited circumstances and to a limited extent.</p> <p>ResponsAbility is the fund manager for the Global Climate Partnership Fund (GCPF). Since the company's inception in 2003, responsAbility-managed funds have disbursed USD 10B+ in private debt and private equity to companies in the financial inclusion, sustainable food and climate finance sectors whose business models directly support the UN Sustainable Development Goals (SDGs).</p> | <p>Debt</p> <p>Senior debt</p> <p>Junior or sub-ordinated debt (non-convertible)</p> | <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | 3,000,000-10,000,000 (EUR) | <p>Email: energy@responsability.com</p> <p>Phone: +41 44 403 0500</p> |
| GroFin SME/ Business Loans Manager: GroFin | <p>GroFin is a specialised impact-driven SME financier providing entrepreneurs with loans and technical support to grow their businesses.</p> <p>GroFin is a specialised development and impact-driven financier established in 2004 and headquartered in Mauritius offering patient capital and specialised business support to small and growing businesses across Africa and the Middle East in education, healthcare, agri-processing, manufacturing and key services (water, energy and sanitation).</p> | <p>Debt</p> <p>Senior debt</p> <p>Applicant groups with special set-asides or additional evaluation points</p> <p>Women-owned enterprises</p> | <p>Pre-development</p> <p>Early stage (pre-PPA)</p> <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | 100,000-500,000 (USD) | <p>Email: media@grofin.com</p> <p>Phone: (+234) 705 696 6666</p> |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|--|--|--|--|--|
| Guarantee Products Manager: African Export-Import Bank Afreximbank | <p>African Export-Import Bank Afreximbank offers a variety of guarantee products grouped into five categories: i) short term-trade guarantees; ii) working capital and supply chain finance guarantees; iii) bonding facilities for exports and trade contracts; iv) medium- and long-term guarantee products to support exports and imports; and v) unique guarantees specific projects.</p> <p>The African Export-Import Bank (Afreximbank) is the foremost Pan-African multilateral financial institution devoted to financing and promoting intra- and extra-African trade. Afreximbank was established in 1993 by African governments, African private and institutional investors and non-African investors.</p> | Guarantee | | Varies | Email: feedback@afreximbank.com |
| InfraCo Africa Manager: InfraCo Africa Ltd | <p>InfraCo Africa provides equity to fund the development and construction of pioneering projects and innovative infrastructure businesses that need to scale up and demonstrate commercial viability.</p> <p>InfraCo Africa is part of the Private Infrastructure Development Group (PIDG). It is managed as a private company and funded by the UK (FCDO), the Netherlands (DGIS) and Switzerland (SECO).</p> | <p>Equity</p> <p>Applicant groups with special set-asides or additional evaluation points</p> <p>Gender lens</p> | <p>Early stage (pre-PPA)</p> <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | <p>1,000,000-3,000,000 (GBP)</p> <p>(Target ticket size for investments is 1-5M, but can fund smaller projects, especially with grant funding from PIDG Technical Assistance. Can also fund projects above 5M USD if needed)</p> | <p>Email: info@infracoafrica.com</p> <p>Phone: (+44) 02035975400</p> |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|--|--|--|-------------------------------------|-----------------------------------|
| <p>Infrastructural, Developmental and Environmental Assets Managed Fund (IDEAS Fund)</p> <p>Manager: African Infrastructure Investment Managers (AIIM)</p> | <p>Infrastructural, Developmental and Environmental Assets Managed Fund (IDEAS Fund) is one of South Africa's largest domestic infrastructure equity funds investing in renewable energy infrastructure (solar and wind projects) in the Southern African Development Community (SADC) region as well as in economic infrastructure (roads and railways) and social infrastructure (housing and public-private partnerships).</p> <p>African Infrastructure Investment Managers (AIIM) develops and manages private equity infrastructure funds designed to invest long-term institutional unlisted equity in African infrastructure projects.</p> | <p>Equity</p> <p>Applicant groups with special set-asides or additional evaluation points</p> <p>Indigenous-owned/nationally-owned enterprises</p> | <p>Early stage (pre-PPA)</p> <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | <p>More than 10,000,000 (USD)</p> | <p>Email: info@aiimafrica.com</p> |
| <p>Infrastructure and Energy</p> <p>Manager: DEG</p> | <p>Infrastructure and Energy offers various financing options, including loans and equity tailored for investments in areas of energy, transport, utilities and telecommunications. Acting as an arranger of syndicated financings, DEG can also mobilise other financing partners and offer a joint financing package.</p> <p>DEG is a German development finance institution and a subsidiary of KfW that promotes private sector job creation, boosting economic growth and supporting the transfer of know-how. DEG's portfolio exceeds EUR 9B with investments in 80+ countries.</p> | <p>Debt</p> <p>Senior debt</p> <p>Junior or sub-ordinated debt (non-convertible)</p> | <p>Mid stage (post-PPA)</p> <p>Late stage (equity partner, pre-EPC contract + debt financing)</p> | <p>More than 10,000,000 (EUR)</p> | <p>Email: info@deginvest.de</p> |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|---|-----------------|--|-------------------------------------|---|
| Infrastructure and Energy Manager: DEG | Infrastructure and Energy offers various financing options, including loans and equity tailored for investments in areas of energy, transport, utilities and telecommunications. Acting as an arranger of syndicated financings, DEG can also mobilise other financing partners and offer a joint financing package. | Equity | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | More than 10,000,000 (EUR) | Email: info@deginvest.de |
| Metier Sustainable Capital II Manager: Metier SC Private Equity International | Metier Sustainable Capital II is a pan-African private equity fund for renewable energy, energy efficiency and resource efficiency. The fund invests growth capital into existing enterprises, as well as project financed infrastructure assets. Metier SC Private Equity International is the fund manager for Metier Sustainable Capital International Fund II. Metier is a leader in private equity investing, alternative assets and advisory services. | Equity | Late stage (equity partner, pre-EPC contract + debt financing) May also invest in mid-stage IPPs before their financial close | More than 10,000,000 (USD) | Email: info@metier.co.za Phone: +27 (011) 268 4000 |
| Political Risk Insurance and Trade Credit Insurance Manager: African Trade Insurance (ATI) Agency | The African Trade Insurance (ATI) Agency offers investment insurance against political risks as well as insurance against trade credit risks. It serves to protect investments, projects, assets and contracts against risks associated with unlawful or questionable government actions that could lead to payment default and financial loss, as well as the risk of default by private counterparties. ATI considers indemnity, pricing and tenor for the projects or transactions supported on a case-by-case basis. African Trade Insurance Agency (ATI) is a pan-African institution that provides political risk insurance to companies, investors, and lenders interested in doing business in Africa. | Guarantee | | Varies | Email: enq@ati-aca.org Phone: +254 (0)20 272 6999 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|--|-----------------|---------------------|-------------------------------------|--|
| Political Risk Insurance, Credit Insurance Manager: Multilateral Investment Guarantee Agency (MIGA) | Multilateral Investment Guarantee Agency (MIGA) provides political risk insurance guarantees and credit enhancement to private sector investors and lenders. These guarantees protect investments against non-commercial risks and can help investors obtain access to financing on improved terms and conditions. Political risk insurance coverage products may be purchased individually or in combination. Selection of desired coverage must be made before guarantees are issued. The Multilateral Investment Guarantee Agency (MIGA) is a member of the World Bank Group. MIGA guarantees protect investments against non-commercial risks and can help investors obtain access to funding sources with improved financial terms and conditions. | Guarantee | | Varies | Email: migainquiry@worldbank.org Phone: (+1) 202 458 2538 |
| Regional Liquidity Support Facility+ (RLSF+) Manager: African Trade Insurance Agency (ATI) | The Regional Liquidity Support Facility+ (RLSF+) provide counter-guarantees, which grant short-term liquidity to independent power producers (IPPs) in case of non-payment of the utility off-taker to address termination risks. RLSF+ is part of a collaborative EU platform for guarantees for renewable energy. AEGF's lead financing institution is the German development bank KfW. African Trade Insurance Agency (ATI) is a pan-African institution that provides political risk insurance to companies, investors, and lenders interested in doing business in Africa. | Guarantee | | Varies | Email: info@kfw-entwicklungsbank.de |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|--|--|-------------------------------------|----------------------------|
| Renewable Energy Performance Platform (REPP) | The Renewable Energy Performance Platform (REPP) mobilises private sector and investment in small- to medium-sized projects (typically up to 25MW) through development capital, gap financing, access to risk mitigation instruments and access to long-term lending. | Debt | Early stage (pre-PPA) | 500,000-1,000,000 (USD) | Email: info@repp.energy |
| Manager: Camco | Camco Clean Energy – a climate and impact fund manager – is responsible for managing day-to-day operations of the REPP, including project origination and providing developers with access to various financing products and experience. REPP is supported with GBP 148M in funding from the UK's International Climate Finance through the Department for Business, Energy and Industrial Strategy (BEIS). | Applicant groups with special set-asides or additional evaluation points | Mid stage (post-PPA) | | Phone: +44 (0)207 121 6101 |
| | | Women-owned enterprises | Late stage (equity partner, pre-EPC contract + debt financing) | | |
| Renewable Energy Performance Platform (REPP) | The Renewable Energy Performance Platform (REPP) mobilises private sector and investment in small- to medium-sized projects (typically up to 25MW) through development capital, gap financing, access to risk mitigation instruments and access to long-term lending. | Equity | Early stage (pre-PPA) | 1,000,000-3,000,000 (USD) | Email: info@repp.energy |
| Manager: Camco | Camco Clean Energy – a climate and impact fund manager – is responsible for managing day-to-day operations of the REPP, including project origination and providing developers with access to various financing products and experience. REPP is supported with GBP 148M in funding from the UK's International Climate Finance through the Department for Business, Energy and Industrial Strategy (BEIS). | | Mid stage (post-PPA) | | Phone: +44 (0)207 121 6101 |
| | | | Late stage (equity partner, pre-EPC contract + debt financing) | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|---|--|---|--|-------------------------------------|--------------------------|
| Solution for Corporates Manager: DEG | Solutions for Corporates offers a number of financing modalities including long-term loans. This solution is tailor-made at matching maturities for companies worldwide. Acting as an arranger of syndicated financings, DEG can also mobilise other financing partners and offer a joint financing package. | Debt Additional weighting given to projects meeting IFC performance standards, compliance with DEG's Environment and Social Sustainability guidelines, as well as Know Your Customer (KYC) international compliance criteria | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | More than 10,000,000 (EUR) | Email: info@deginvest.de |
| Solution for Corporates Manager: DEG | Solutions for Corporates offers a number of financing modalities, including equity investment. As a minority shareholder, DEG helps generate positive momentum for the project development and reputation. In the development of regional and supra-regional platforms, the stake may be taken at holding company level or, in particular cases, at project level. | Equity Additional weighting given to projects meeting IFC performance standards, compliance with DEG's Environment and Social Sustainability guidelines, as well as Know Your Customer (KYC) international compliance criteria | Mid stage (post-PPA) Late stage (equity partner, pre-EPC contract + debt financing) | More than 10,000,000 (EUR) | Email: info@deginvest.de |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|--|-----------------|---|-------------------------------------|-----------------------------|
| Support Line 0 (SLO) - Seed Capital Assistance Facility (SCAF) | The Seed Capital Assistance Facility (SCAF) provides financial support for low-carbon projects on a cost-sharing and co-financing basis through three Support Lines. | Grant | Consulting services delivered by third party consultants selected by grantee on sole source basis | 200,000-500,000 (EUR) | Email: info@scaf-energy.org |
| Manager: Frankfurt School of Finance and Management, United Nations Environment Programme (UNEP) | Support Line 0 (SLO) supports equity investment entities during the fundraising period in achieving first financial close of their investment window. SLO offers conditional grants, which provide co-financing of eligible activities of up to 50%, given matching funds of the partner are in place. SLO grants must be reimbursed at financial close. SCAF is managed jointly by the Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance (FS-UNEP Centre) and United Nations Environment Programme (UNEP). | | Fundraising support, legal set-up costs | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|--|-----------------|--|-------------------------------------|-----------------------------|
| Support Line 1 and 2 (SL1 and SL2) - Seed Capital Assistance Facility (SCAF) | The Seed Capital Assistance Facility (SCAF) provides financial support for low-carbon projects on a cost-sharing and co-financing basis through three Support Lines. Support Line 1 (SL1) and Support Line 2 (SL2) are linked financing instruments that are deployed together as part of a framework agreement for a pipeline of projects over a 3+ year period. | Grant | Consulting services delivered by third party consultants selected by grantee on sole source basis; Project specific services delivered by the grantee itself; Grantee's general operating costs | More than 1,000,000 (EUR) | Email: info@scaf-energy.org |
| Manager: Frankfurt School of Finance and Management, United Nations Environment Programme (UNEP) | SL1 provides grants to help companies increase their project pipeline while delivering capacity building at the local level. SL2 provides co-financing in the form of conditional grants, which cover eligible activities of up to 50%. The co-financing helps cover development costs and get seeded projects to financial close. SL2 grants must be reimbursed at financial close of the project; co-funding from SL1 does not need to be reimbursed. SCAF is managed jointly by the Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance (FS-UNEP Centre) and United Nations Environment Programme (UNEP). | | SL1 - training, coaching and workshops for local project developers; conference participation; pre-investment SL2 - independent technical and project assessments; feasibility studies; financial risk analysis; regulatory compliance and framework reviews; independent valuation of projects; ESG risk analysis; legal costs | | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|---|--|-------------------------------------|-----------------------------------|
| Sustainable Energy Fund for Africa Manager: AfDB | <p>Sustainable Energy Fund for Africa (SEFA) is a multi-donor Special Fund providing catalytic finance to unlock private sector investments in renewable energy and energy efficiency. SEFA provides technical assistance and concessional financing to remove market barriers, build a more robust pipeline of projects and improve the risk-return profile of individual investments.</p> <p>The African Development Bank (AfDB) is the fund manager for the Sustainable Energy Fund for Africa (SEFA). The overarching objective of AfDB Group is to spur sustainable economic development and social progress in its regional member countries, thus contributing to poverty reduction.</p> | Grant | Consulting services delivered by third party consultants provided either by the funding agency or selected by competitive tender | 500,000-1,000,000 (USD) | Email: SEFA.applications@afdb.org |
| Digital Energy Facility (DEF) Manager: AFD | <p>The Digital Energy Facility (DEF) is a global facility funded by the European Union and implemented by AFD. It provides contingent debt through financial intermediaries to energy utilities and start-ups developing and implementing digital innovation projects and products in the energy sector.</p> <p>Agence Française de Développement (AFD) is a French public financial institution committed to providing financing and technical assistance to projects that promote sustainable development in developing and emerging countries.</p> | <p>Debt</p> <p>Additional consideration given to companies providing innovative digital solutions</p> | Early stage (pre-PPA) | 100,000-500,000 (EUR) | |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|--|----------------------|-------------------------------------|--------------------------------------|
| Transferability and Convertibility Facility (T&C) Manager: EDFI Management Company | <p>The Transferability and Convertibility Facility is an EU-funded guarantee product managed by EDFI MC, in sub-delegation structure with Proparco. It covers the debt service of on-grid independent power producers in case of inconvertibility of the local currency into hard currency, or inability to transfer hard currency out of the country. The facility is open for licensed EU DFIs.</p> <p>EDFI Management Company is a subsidiary of EDFI, the Association of European Development Finance Institutions. EDFI MC provide development finance solutions that enable European DFIs and private sector companies to increase the scale and impact of their investments.</p> | Guarantee | | Varies | Email: tc.guarantee@edfimc.eu |
| Treehouse Investments Manager: Treehouse Investments | <p>Treehouse Investments is a minority-owned, boutique infrastructure firm dedicated to addressing climate change.</p> <p>Treehouse Investments provides direct investments in both publicly traded and private entities targeting market rate returns to combat climate change, empower women, and catalyse a capital shift to sustainable investment practices.</p> | <p>Equity</p> <p>Applicant groups with special set-asides or additional evaluation points</p> <p>Women-owned enterprises</p> | Mid stage (post-PPA) | 1,000,000-3,000,000 (USD) | Email: info@treehouseinvestments.com |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|--|-----------------|--|-------------------------------------|-------------------------------------|
| Triodos Emerging Markets Renewable Energy Fund (TEMREF) | Triodos Emerging Markets Renewable Energy Fund (TEMREF) aims to build a portfolio of impactful investments in the renewable energy sector in emerging markets with attractive risk-adjusted returns. | Debt | Mid stage (post-PPA) | More than 10,000,000 (EUR) | Email: renewables.invest@triodos.nl |
| Manager: Triodos Investment Management | Triodos Investment Management is a full subsidiary of Triodos Bank, with more than 25 years investing to generate social and environmental impact alongside a healthy financial return. | Senior debt | Late stage (equity partner, pre-EPC contract + debt financing) | | Phone: (+31) 030 693 6511 |
| Triodos Financing Green Energy in Emerging Markets (TFREM) | Triodos Financing Green Energy in Emerging Markets (TFREM) aims to build a portfolio of impactful investments in the renewable energy sector in emerging markets with attractive risk-adjusted returns. | Equity | Mid stage (post-PPA) | More than 10,000,000 (EUR) | Email: renewables.invest@triodos.nl |
| Manager: Triodos Investment Management | Triodos Investment Management is a full subsidiary of Triodos Bank, one of the world's leading sustainable banks. For more than 25 years, Triodos Investment Management has been investing to generate social and environmental impact alongside a healthy financial return. | | Late stage (equity partner, pre-EPC contract + debt financing) | | Phone: (+31) 030 693 6511 |

TABLE A1. Continued

| NAME OF THE FINANCIAL INSTRUMENT | DESCRIPTION | TYPE OF FUNDING | ELIGIBLE ACTIVITIES | AVERAGE TICKET SIZE PER TRANSACTION | CONTACTS |
|--|---|--|---|-------------------------------------|--------------------------------|
| The United Nations Capital Development Fund (UNCDF) | The United Nations Capital Development Fund (UNCDF) offers performance-based grants deployed through request for applications or challenge calls. | Grant | Project specific services delivered by the grantee itself | 50,000-200,000 (USD) | Email: xavier.michon@uncdf.org |
| Manager: United Nations Capital Development Fund (UNCDF) | The United Nations Capital Development Fund (UNCDF) is an autonomous, voluntarily-funded UN organisation that is affiliated with UNDP but raises its funding separately from UN member states, foundations and the private sector. | Applicant groups with special set-asides or additional evaluation points | Grantee's general operating costs | 200,000-500,000 (USD) | Phone: (+1) 212 906 6172 |
| | | Women-owned enterprises | Capital expenditures | | |
| | | Indigenous-owned/ nationally-owned enterprises | | | |
| | | Additional evaluation points for projects with clear SDG impact | | | |
| Upscaling Programme | DEG Upscaling Programme finances innovative pioneering investments of German and domestic small- and medium-sized enterprises (SMEs) in developing countries that are in the start-up phase whose financing needs are between microfinancing and the traditional financing by commercial banks providing on average up to EUR 500,000 – repayable on success. Programme funds are provided by the German Federal Ministry for Economic Cooperation and Development (BMZ). | Grant | Consulting services delivered by third party consultants selected by grantee on sole source basis | 500,000-1,000,000 (EUR) | Email: up-scaling@deginvest.de |
| Manager: DEG | | | Project specific services delivered by the grantee itself | | |

ANNEX B

Requirements for Registering a Company in Mozambique

TABLE B1. Requirements for registering a company in Mozambique

| STEP | REGISTRATION/AUTHORISATION | COMPETENT AUTHORITY | TIMELINE |
|------|---|--|------------|
| 1 | Registration with the Legal Entities Registry of Maputo | Legal Entities Registry of Maputo | 2-3 days |
| 2 | Registration with the Mozambican Tax Authority | Tax Authority | 7 days |
| 3 | Commencement of activities with Tax Department | Tax Authority | 1-2 days |
| 4 | VAT registration | Tax Authority | 1 day |
| 5 | Obtaining a standard business licence | Ministry of Industry and Commerce | 7-14 days |
| 6 | Importer's card | Ministry of Industry and Commerce | 8-10 days |
| 7 | Exporter's card | Ministry of Industry and Commerce | 8-10 days |
| 8 | Obtaining a licence for technicians in charge of electrical installations | National Directorate of Energy | 30-60 days |
| 9 | Opening of bank account with local commercial bank | Central Bank | 3-5 days |
| 10 | Declaration of commencement of activities with Tax Authority | Tax Authority | 3-5 days |
| 11 | Registration of the company with Ministry of Labour and Social Security | Ministry of Labour and Social Security | 3-5 days |
| 12 | Registration as project investment with Central Bank | Commercial Bank | 7 days |

TABLE B1. Continued

| STEP | REGISTRATION/AUTHORISATION | COMPETENT AUTHORITY | TIMELINE |
|------|---|--|---------------|
| 13 | Terms of Authorisation of Project Investment approval | <p>APIEX</p> <p>Provincial Governor: 3 days</p> <p>Director of APIEX: 15 days</p> <p>Minister of economy and finance: 30 days</p> <p>Council of Minister: 120 days</p> <p>The approval of the Council of Minister depends on the agenda. Thus, the 30 days may differ up to 90 days.</p> | 3-90 days |
| 14 | Establishment Licence | National Directorate of Energy | Up to 90 days |
| 15 | Construction Licence | Municipal and/or District Government Authority with jurisdiction over the project site | 15-45 days |
| 16 | Operating Licence | National Directorate of Energy | Up to 60 days |

ANNEX C

Other Licence and Registration Procedures Needed for IPPs in Mozambique

TABLE C1. Process for registration to repatriate funds

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|-----------------|--|---|-------|--|
| Central Bank | Registration of the Company as foreign direct investment and investors: <ul style="list-style-type: none"> Form fulfilled from commercial bank of the Company Certificate of incorporation of the quota holders/shareholders of the Company Commercial certificate of Company Bordereau confirming the reception of funds issued by the commercial bank operating in Mozambique | Registration of foreign direct investment and investors: 15 days Approval of shareholder loan: 15 days Approval of external loan agreement: 15 days | N/A | <p>The Exchange Control Regulation simplified the loan application process by providing that loans and/or shareholder loans granted by related companies already have prior authorisation (and are only subject to subsequent registration with commercial banks operating in Mozambique) when:</p> <ul style="list-style-type: none"> They are contracted at an interest rate of 0%, their maturity is equal to or greater than 3 years and they are exempt from any type of rate or charge; and They are contracted with an exchange rate higher than 0% but lower than the base rate applicable to loans, their maturity is higher than 3 years, they are exempt from any type of rate or charge and the maximum amount is equivalent to USD 5,000,000. |

TABLE C1. *Continued*

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|-----------------------------|--|---------------|-------|--|
| Central Bank (continued) | <p>Approval of shareholder loan:</p> <ul style="list-style-type: none"> — Form fulfilled — Certificate of incorporation of the quota holders/shareholders of the Company — Commercial certificate of the Company — Financial statements of the Company — Minutes of corporate governing body of the Company authorising the shareholder loan agreement between the Company and a quota holder/shareholder — Draft of the shareholder loan agreement <p>Approval of external loan agreement:</p> <ul style="list-style-type: none"> — Form fulfilled — Certificate of incorporation of the Lender — Commercial Certificate of the Company/Borrower — Draft of the external loan agreement — Social or economic justification of hiring the external loan — Financial statements of the Company or evidence of resources to repay the external loan agreement <p>Securities/guarantees</p> <ul style="list-style-type: none"> — Application letter to the Central Bank — Draft of security agreement — Certificate of incorporation of the Lender — Commercial certificate of the Company | | | The registration of disbursement of funds under a foreign direct investment (e.g., shareholder loan agreement, increase of share capital) shall be made within 90 days from the date of the entrance of the funds in Mozambique. |

TABLE C2. Process for obtaining an environmental licence

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|------------------------------|--|---|--|---|
| Ministry of Land Environment | <ul style="list-style-type: none"> Registration of the Project (IP) Terms of Reference (TdR) Pre-Feasibility and Scoping Study (EPDA) Environmental Management Plan (PGA) Simplified Environmental Study (SES) Environmental Impact Assessment (EIA) | <ul style="list-style-type: none"> IP: 8 working days TdR: 15 working days EPDA: up to 30 working days for Cat A activities and 45 working days for Cat A + PGA: 30 working days for Cat C activities SES: 30 working days for Cat B activities EIA: 45 working days for Cat A activities and 60 working days for Cat A+ Provisional Environmental Licence valid for 2 years Environmental Licence of installation valid for 2 years Environmental Licence of activities valid for 5 years | <p>Values:</p> <p>IP: 1,000 MZN (roughly USD 16)</p> <p>Licensing of Cat A + activities: 0.30% of the investment</p> <p>Licensing of Cat A and B activities: 0.20% of the investment</p> <p>Licensing of Cat C activities: 0.02% of the investment of the activity for projects with a value of more than 5,000,000 MZN and a unit value of 1,000 MZN for projects with an investment of up to 5,000,000 MZN. (roughly USD 15-77)</p> <p>Licence Renewal:</p> <p>Cat A+: 80,000 MZN; (roughly USD 1.2030)</p> <p>Cat A: 60,000 MZN; (roughly USD 923)</p> <p>Cat B: 30,000 MZN; (roughly USD 462)</p> <p>Cat C: 5,000 MZN (roughly USD 77)</p> | <p>In general, projects with a network connection fall under category A:</p> <ul style="list-style-type: none"> Electricity installations using hydroelectric, thermal, geothermal, photovoltaic, wind and wave energy resources; Transmission and distribution lines of 66 kV or more; Dams and reservoirs with floodable area equivalent to or greater than 5 hectares. <p>All activities involving the resettlement of the population or located in areas with special protection status in terms of ecosystem, shall also be classified as category A projects.</p> <p>Public participation is compulsory for all projects classified as belonging to categories A+, A and B, with a minimum of two rounds of meetings in each location.</p> |

TABLE C2. *Continued*

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|---|----------------------|---------------|-------|--|
| Ministry of Land Environment (continued) | | | | <p>The final reports prepared during the EIA process, including the Environmental Impact Assessment (EIA), the Environmental Management Plan (EMP), the Resettlement and Compensation Plan and the Biodiversity Compensation Management Plan, are considered public documents and the EIA authority is responsible for providing these documents for consultation at central and provincial level.</p> <p>During the EIA process, three different licences are issued:</p> <ul style="list-style-type: none"> — Provisional Environmental Licence: a licence issued after approval of the Environmental Pre-Feasibility Study (valid for two years, non-renewable). The issuance of this Environmental Permit is optional; — Installation Environmental Licence: a licence issued after approval of the Environmental Impact Study and submission of the approved Resettlement Plan, if applicable. <p>The Installation Environmental Licence is valid for two years, after which it loses its validity. If the applicant maintains the interest, they must apply for renewal of the</p> |

TABLE C2. *Continued*

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|--|----------------------|---------------|-------|---|
| Ministry of Land Environ- ment (continued) | | | | <p>permit within 90 days before the respective expiration date, and the environmental authority may opt, within 30 working days, for one of the following decisions:</p> <ol style="list-style-type: none"> 1) To grant renewal for a further 2 years without further studies; 2) To request a partial update of the EIA specifying any changes to the project or its components; 3) To carry out a new EIA. <p>— Environmental Exploration Permit – a permit issued after verification/ inspection to confirm full compliance of the EIA and full implementation of the Resettlement Plan (where applicable). The commencement of operations of any activity without an Environmental Permit for Exploration has been issued is prohibited and subject to a fine. The Environmental Exploration Licence is valid for five years and renewable for the same period, subject to conditions and payment of the respective fee.</p> |

TABLE C3. Process for registration of the company for social security purposes

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|--|--|---------------|-------|--|
| Ministry of Labour, Employment and Social Security | <ul style="list-style-type: none"> — Business Licence — Declaration of commencement of activities — Copy of the passport or ID of the representative of the Company | 1-2 days | N/A | The registration of the Company shall occur within 15 days from the date of declaration of commencement of activities or acquisition of the Company. |

TABLE C4. Process for registration of company personnel for social security purposes

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|------------------------------------|--|---------------|-------|--|
| National Social Security Institute | <ul style="list-style-type: none"> — ID or passport of each employee stamped by the Company | 1-2 days | N/A | The registration of the Company shall occur within 15 days from the date of declaration of commencement of activities or acquisition of the Company. |

TABLE C5. Process for registration of foreign employees for social security purposes

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|------------------------------------|--|---------------|-------|--|
| National Social Security Institute | <ul style="list-style-type: none"> — ID or passport of each employee stamped by the Company | 1 day | N/A | Foreign employees that are already registered with a social security from the country of origin can request exemption of payment of social security in Mozambique. |

TABLE C6. Process for obtaining work permits for foreign employees

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|--|---|--|-------|---|
| Ministry of Labour, Employment and Social Security | <p>Short term regime:</p> <ul style="list-style-type: none"> — Certificate of incorporation of Company — Passport of the foreign employee — Business Licence of the Company — Dates of commencement and termination of the short-term work <p>Quota regime:</p> <ul style="list-style-type: none"> — Form fulfilled — 3 copies of the employment agreement — CV of the foreign employee — Tax clearance certificate issued by the Tax Department and Social Security — Nominal list of the employees of the company — Legalised passport of the employee <p>Authorisation of work regime:</p> <ul style="list-style-type: none"> — Application letter — 3 copies of the employment agreement — CV of the employee — Tax clearance certificate from the Tax Department and Social Security — Business Licence — Nominal list of the employees of the company <p>Project approved by APIEX</p> <ul style="list-style-type: none"> — Letter communicating the contracting of the employee — Form fulfilled — 3 copies of the employment agreement — CV of the foreign employee — Tax clearance certificate issued by the Tax Department and Social Security — Nominal list of the employees of the company — Legalised passport of the employee | <ul style="list-style-type: none"> — Short term regime: 5 days — Quota regime: 5 days — Authorisation of work regime: 15 days | N/A | Under the quota regime and authorisation of work regime, the employment agreement with foreign employees shall have the maximum duration of 2 years and any amendment shall be communicated to the Provincial Department of Employment. |

TABLE C7. Process for registering of the company and employees at the Labour Department (Folha de Relação Nominal)

| RELEVANT ENTITY | SUPPORTING DOCUMENTS | TIME ESTIMATE | COSTS | COMMENTS |
|--|--|---------------|-------|--|
| Ministry of Labour, Employment and Social Security | — ID or passport of each employee stamped by the Company | 10-15 days | N/A | <p>The company must notify the beginning of any activity, admission of employees and the work schedules at the Provincial Directorate of Labour, Employment and Social Security. These three documents can be submitted together.</p> <p>In addition, the company must complete and submit a form listing all employees (<i>Folha de Relação Nominal</i>) on the website of the Ministry of Labour, Employment and Social Security (http://www.mitess.gov.mz:7081/FolhaNominal/RC/RegistarEmpresa.aspx).</p> <p>This form contains detailed information on each worker and must be updated every April based on March data. When the start of business activity occurs after April, the employer must complete the form within 30 days.</p> |

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