



SUSTAINABLE ENERGY IN MOZAMBIQUE – THE OFF-GRID SECTOR

Maputo, February of 2024

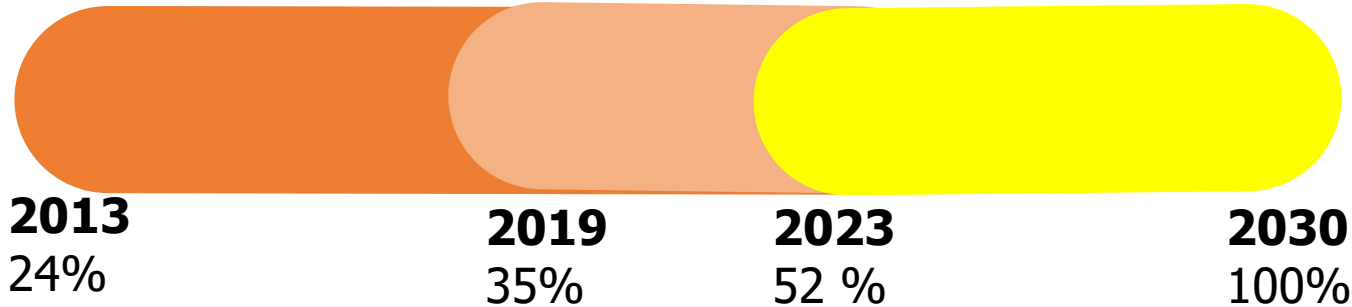


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FUNAE - THE ENERGY FUND

Our mission: Contribute to universal access to energy services while promoting active participation of the private sector

- Promoting **electricity access** in the off-grid area
- Promoting the use of **clean cooking solutions**
- Promoting **energy services** and **productive use of energy**
- Promoting off-grid **market development** and **private sector** inclusion



THE OFF-GRID SECTOR

 <p>Achieved</p>	 <p>Funding</p>	 <p>Financial instruments</p>	 <p>Main stakeholders</p>
<p>111 Mini-grids > 434 000 SHS > 442,185 HH connected > 475.000 ICS promoted</p>	<p>Donors: USD - 143 million Government: USD - 94 million</p>	<p>Grants Results-based financing Subsidies Technical assistance</p>	<p>Public institutions (FUNAE, ARENE, MIREME) Private sector Donors</p>

Off-grid sector contributes **6.6%** of the current electricity access, and by **2030** it should reach around **32%**

Accelerating and Scaling up is crucial to achieving **Universal Energy Access for All by 2030**

REGULATORY REFORMS



Legal Framework

2021-2022: Regulation for Energy Access in Off-grid Areas

2022: Revised Electricity Law

2023: Sub-Regulations for Off-Grid Energy Sector

- Concession award
- Mini-grid tariffs
- Mini-grid interconnection and grid arrival
- Technical, security and quality standards



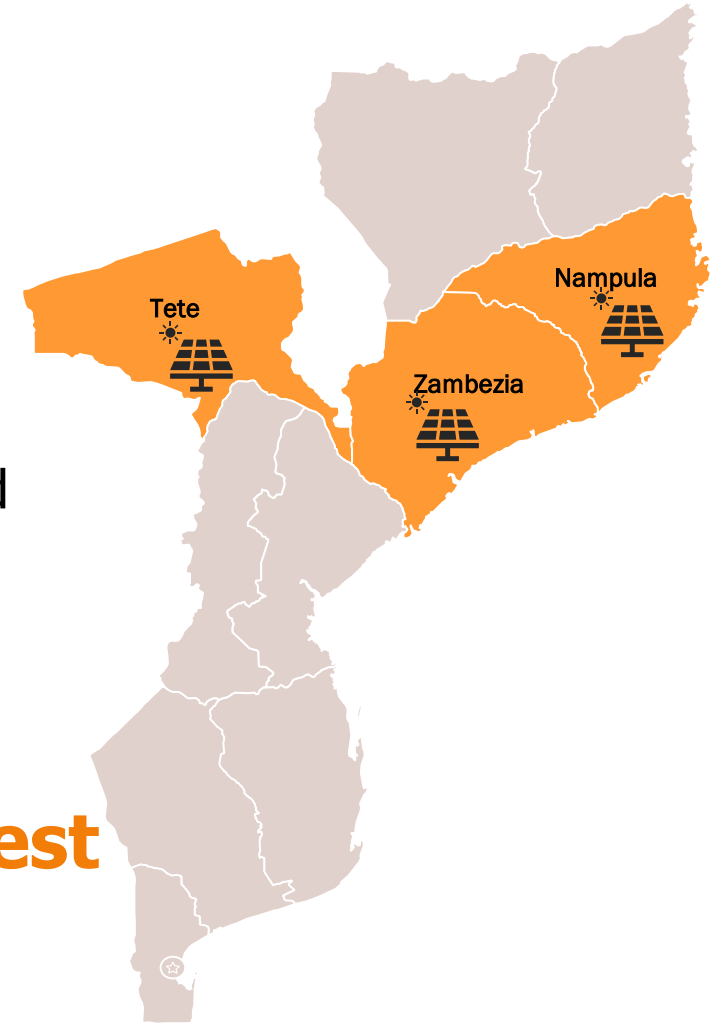
Planning

- **Dec. 2018: Nacional Electrification Strategy 2018 -2030**
- **2021: Off-grid Electrification Roadmap**
- **Oct. 2023: Coordination and Planning Unit**
- **Nov. 2023: Off-grid Electrification Plan**
- **Dec. 2023: Energy Transition Strategy**

OFF-GRID ELECTRIFICATION PLAN

- 1st phase (Pilot phase) launched 2023.
 - Develop **71 Mini-grids** grouped in **clusters**
 - **3 provinces (Tete, Zambezia and Nampula)**
 - Around **157,327** new HH connections
 - Estimated investment of **USD 170 million**
 - Assuming 12,000\$/kW and 200kW capacity per Mini-grid
 - **Private Sector** is the main development actor
 - Integrate SHS as part of the solution (**Leave no one behind approach**)

➤ **ARENE** launched recently **Expression of Interest**



TYPE OF SUPPORT FOR IMPLEMENTATION

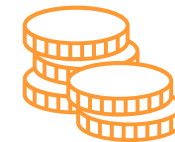
Technical assistance

- Project preparation
- Skills development
- Demand activation
- Technology introduction



Financial instruments

- Result Based Finance
- Grants (subsidies)



The sector needs innovative and flexible instruments for both public and private sector

Thank You



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