

 Early Warning System

DFC-2024-GLOBELEQTEMANE

Globeleq Temane Expansion CCS TA



Quick Facts

Countries	Mozambique
Specific Location	Temane, Inhambane Province
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Approved
Bank Risk Rating	U
Borrower	Globeleq Africa Limited
Sectors	Energy, Technical Cooperation
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 5.00 million
Project Cost (USD)	\$ 52.44 million



## Project Description

As stated on the project disclosure document, DFC will provide a pre-investment Technical Assistance (TA) grant to develop the Temane Expansion Power Plant with a Carbon Capture and Storage (CCS) solution for potential DFC debt financing over a period of approximately 12 months. TA activities will fund a portion of the development budget with a view to reaching financial close.

The initial Central Terminal Temane (“CTT”) project is a 450MW combined cycle unabated gas fired power facility that reached Financial Close on 8 December 2021 and is currently in construction with commercial operations expected in 2025. The sponsor is proposing an expansion of the facility (“Temane Expansion”). The Temane Expansion project will be an additional ~ 450MW combined cycle gas turbine facility, which will double the generation capacity of the co-located CTT. The Temane Expansion facility will utilize a CCS solution by making use of saline aquifers or depleted gas reservoirs in the adjacent Temane area. The transmission component for the power generated from the plant will enable the connection of Mozambique’s southern transmission system to its central and northern systems.

The TA will enable funding for early-stage activities for the Temane Expansion project across the full value chain to de-risk the development that will include confirming technical design aspects, obtaining feasibility level cost estimates, identifying key risk and mitigation options, and defining appropriate commercial structures and regulatory framework supportive of successful project implementation. The TA package will be split between the CCS development scope as well as selected early-stage value chain activities related to power plant, transmission solution and gas supply arrangements to manage the project risk.



## Investment Description

- US International Development Finance Corporation (DFC)

Debt financing of the US\$652.3 million project is being provided by IFC, together with its “B” loan participants FMO and Emerging Africa Infrastructure Fund (together US\$253.5 million), US International Development Finance Corporation (DFC) (approximately US\$191.5 million) and the OPEC Fund for International Development (OPEC Fund) (US\$50 million). The Multilateral Investment Guarantee Agency (MIGA) has provided up to \$251.3 million in political risk insurance to private sector equity investors.



## Private Actor Relationship

CTT is 85% owned by Mozambique Power Invest (MPI) and 15% by Sasol Africa. MPI is owned by Globeleq (76%) and Electricidade de Moçambique (24%).

This power project was originally owned by EDM of Mozambique and [Sasol New Energy Holdings](#) of South Africa. In December 2020, the owner/developers brought on Globeleq and eleQtra. The [consortium](#) jointly formed a [special purpose vehicle](#) company to develop this power station, which they named **Temane Energy Consortium (TEC)**.

## Private Actors Description

As stated by Bloomberg, Globeleq Africa Limited is an independent power producer that provides power generation services. The Company owns and operates natural gas, solar, wind, and fuel oil power plants. British International Investment took control of the company (70 per cent) in 2015 alongside Norfund (30%).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
British International Investment Plc	Investor	Finance	owns	Globeleq Africa Holdings Limited	Client	Energy
Norfund	Investor	Finance	owns	Globeleq Africa Limited	Client	Energy



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## Contact Information

*No project contacts provided at the time of disclosure.*

## ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

## ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



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## Bank Documents

- [Project Disclosure](#) [Original Source]

## Corporate Documents

- [ESIA](#) [Original Source]

## Campaign Documents

- [DW News-Locals protesting against multinational Sasol](#)
- [Friends of the Earth- Misguided: US Support for Financing for Gas Projects at the World Bank](#)

## Media

- [ESI Africa-Mozambique: Cyclone, deal dispute stall thermal energy project](#)





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## Other Related Projects

- WB-P160427 Temane Regional Electricity Project
- WB-P170397 Temane Regional Electricity Project
- AFDB-P-Z1-FA0-164 Multinational - Temane Transmission Project (TTP)
- DFC-2020-CENTRALTERMICA Central Termica de Temane
- FMO-60000 CENTRAL TERMICA DE TEMANE
- MIGA-14661 Central Termica de Temane