Early Warning System

IFC-48180

CEN

Quick Facts

Countries	Mozambique
Specific Location	Namaacha
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Voting Date	2024-07-18
Borrower	CENTRAL ELECTRICA DA NAMAACHA S.A.
Sectors	Energy
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 66.00 million
Loan Amount (USD)	$ 65.00 million
Grant Amount (USD)	$ 1.00 million
Project Cost (USD)	$ 267.00 million

Project Description

As stated on the project disclosure page, the proposed IFC investment includes an IFC A loan of up to US$25 million, a BCFP loan of US$25 million, a B1 loan of up to US$15 million, a KGrid VGF grant of up to US$1 million, and hedging instruments.

The Project will sell electricity under a 25-year Power Purchase Agreement (PPA) to EDM, the state-owned buyer and offtaker. EDM will export CEN's output to the Southern African Power Pool (SAPP) until existing generation in Mozambique can no longer meet domestic demand (expected in 2031).
The Project will consist of 20 Wind Turbine Generators (WTG) each with a unit capacity of 6MW with a 120m hub height. CEN will evacuate power by way of the Transmission Connection Equipment (TCE) consisting of:
(i) a new 33.5km transmission line (T-Line) with two single circuit 66kV parallel overhead lines to be connected to the Boane substation;
(ii) a 27MVar STATCOM system for voltage stabilization in case of complete WEF tripping; and
(iii) an upgrade to the Boane substation's 66kV busbar.

The TCE is considered a Project component and will be financed by the Project, but the Boane substation is considered an Associated Facility as per IFC Performance Standards (PSs).
Additional infrastructure will include underground medium voltage transmission cables (33kV) connecting the WTGs with the subordinate substation, a fiber-optic communications network to connect to a Supervisory Control and Data Acquisition (SCADA) system, onsite building infrastructure required for the daily operation of the Project including administrative buildings, a control room, a workshop, a storage warehouse, and a road network to assist the installation of the WTGs during construction and operations.
The two parallel 66 kV T-Lines (spaced 20m apart) will be installed on c. 169 monopole towers within a 70m corridor for the first 29km and then on a single line within a 50m corridor on an existing EDM servitude corridor. In the last 310 meters before reaching the Boane substation, the transmission line will be buried with underground cables, to avoid physical displacement of peri-urban dwellings.

The Project is located on a greenfield site in Namaacha, approximately 57km west of Maputo in Mozambique, near the borders of South Africa and Eswatini.

Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the Project’s total cost is estimated at US$267 million, out of which (a) US$230 million for the wind farm to be funded on a debt to equity split of 75:25 and (b) US$37 million for the TCE to be funded with grant and concessional debt funding. IFC’s proposed investment for the financing of the wind farm includes (i) an A Loan of up to US$25 million, (ii) a Blended Finance loan of up to US$25 million; (iii) a B1 loan of up to US$15 million; and (iv) the provision of interest rate swaps for this debt package. The TCE is expected to be funded mostly by grants, of which a US$1 million from IFC via the Korea Green, Resilient, and Innovative Development (KGrid) Program – Blended Finance Program (the KGrid VGF grant).

Private Actors Description

As stated by the IFC, Globeleq, Source Energia, and EDM are expected to own 66.5%, 28.5%, and 5% of the Special Purpose Vehicle (SPV) Central Eléctrica da Namaacha (CEN), which was registered in May-2020.

Founded in 2002 and headquartered in the UK, Globeleq (GQ) is a leading power generation project developer focusing on Africa. GQ is owned 70 % by BII and 30% by Norfund, which are DFIs owned by the UK and Norwegian governments, respectively. GQ operates 1.8GW of power generation in Africa across different technologies (solar PV, wind, gas-HFO fired).

Founded in 2018, Source Energia is a small private energy developer focused on large and small scale on-grid and off-grid projects in Mozambique.

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	Parent Company	Finance	owns	Globeleq Inc	Parent Company	Energy
Globeleq Africa Holdings Limited	Client	Energy	contracts with	Electricidade de Moçambique	Buyer	Energy
Globeleq Africa Holdings Limited	Client	Energy	contracts with	Electricidade de Moçambique	Investor	Energy
Globeleq Inc	Parent Company	Energy	owns	Globeleq Africa Holdings Limited	Client	Energy
KLP Norfund Investments	Investor	Finance	invests in	Globeleq Inc	Parent Company	Energy
Source Energia	Investor	Energy	contracts with	Globeleq Africa Holdings Limited	Client	Energy

Contact Information

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Client - Globeleq Africa Limited:

Vincent Mulder - Business Development Director
Phone: +44 203 823 5522
Email: Vincent.Mulder@globeleq.com
Address: 6th Floor, 67 Lombard Street London, EC3V 9LJ, United Kingdom
Website: www.globeleq.com

Local Access to Project Documentation:

Electricidade de Moçambique
Address: E.P., Av. Zedaquias Manganhela n.267, Predio JAT IV- 4 Andar, Maputo, Moçambique

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary (ESRS)
- Namaacha_WEF_ESIA_Addendum2023-1
- Namaacha_WEF_ESIA_Addendum_Annexure1_ESMP-1
- Namaacha_WEF_ESIA_Addendum_Annexure2_Specialist_Rpts (1)-2
- T-Line EIA_PPP-1
- T-Line NTS_EIS-1

Other Related Projects

- DFC-NAMAACHA Environmental and Social Impact Assessment for Namaacha Wind Farm
- IFC-49149 CEN EBL