

 Early Warning System

WB-P165453

Mozambique Lighting and Grid Access Project (Moz-LIGA)



Quick Facts

Countries	Mozambique
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	B
Voting Date	2018-10-16
Borrower	Government of Mozambique
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 80.00 million
Project Cost (USD)	\$ 150.00 million



Project Description

According to bank documents, the project objective is to increase access to electricity for households and enterprises in Mozambique.

The proposed Project will support the expansion of access to peri-urban and rural areas by harnessing and extending existing grid network in OEA and Non-OEA areas and by piloting mini-grids in Non-OEA areas. The Project will support three components that aims at connecting on-grid and off-grid households based on a sustainable approach to electrification that incorporates proven international experience, technical assistance and capacity building support.

1. On-grid electrification (US\$67 million IDA). The on-grid electrification component will finance the design, materials and construction works required to connect all households in high population density peri-urban areas located close to existing electricity networks (both in OEA and non-OEA areas). This component will be implemented by EDM and it is expected to provide connections to about 150,000 households (approximately 900,000 beneficiaries). This component will pilot the introduction of new implementation arrangements (e.g., clearer responsibilities for each implementing agency and enhanced supervision arrangements) and new procurement arrangements (e.g., procurement of main equipment in bulk and independent contracts for construction and installation) to maximize the resources available and efficiently implement the Project with the expectation to reduce cost and reach more customers.
2. Off-grid electrification through mini-grids (US\$10 million IDA). This component will be implemented by FUNAE and will support the implementation of mini-grids, on a pilot basis, whose connection to the national grid is not viable in the short- and medium-term. The component will pilot the implementation of the off-grid business model proposed in the NES, where Solar PV mini-grids (with battery storage) are clustered on geographical basis and developed using a PPP model where FUNAE invests in land, distribution network and basic support infrastructure, and the private sector invests in, operates and maintains the generation facilities, and sells power to EDM under a Power Purchase Agreement. EDM would be responsible for retail distribution of electricity and billing collection, reducing collection risks from the private operator's side. Typically, the schemes will be implemented in areas of 150-400 prospective users and approximate demand of 250-500kVA.
3. Technical Assistance and Implementation Support (US\$3 million IDA). This component will finance various technical assistance, capacity building activities and implementation support to MIREME, EDM, FUNAE and ARENE to ensure project sustainability and the monitoring of the impact of the interventions devised and implemented within the other components. The team will explore in detail the activities to be carried out by other DP, particularly those for the newly created ARENE, to ensure complementarity on the activities to be supported under this component. While these activities will be determined during Project preparation, some preliminary areas of support could include:



Investment Description

- World Bank (WB)



Contact Information

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Bank Documents

- [Concept Project Information Document-Integrated Safeguards Data Sheet \(English\)](#) [Original Source]