Early Warning System

WB-P519331

Mozambique Power for Jobs, Growth, and Regional Integration (Moz Power) - Phase 2

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Quick Facts

Countries	Mozambique
Specific Location	Pambarra, Inchope, and Matambo
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2027-05-25
Borrower	Ministry of Finance
Sectors	Construction, Energy, Infrastructure
Investment Type(s)	Grant
Investment Amount (USD)	$ 200.00 million
Project Cost (USD)	$ 520.00 million

Project Description

According to bank provided information, the proposed operation constitutes Phase 2 of the restructured Mozambique Power for Jobs, Growth, and Regional Integration (Moz Power) Multiphase Programmatic Approach (MPA), formerly the Green Energy Corridors MPA.

The operation will finance the construction of a new 400 kV transmission corridor between Pambarra, Inchope, and Matambo (PIMA), associated substation investments, and support technical assistance activities.The operation represents a transformational investment that will strengthen national energy security, increase transmission capacity, improve system reliability, facilitate future hydropower and renewable energy development, and support increased regional power trade within the Southern African Power Pool (SAPP). The operation is expected to be implemented by EDM with support from MIREME and will be co-financed alongside development partners. The restructuring will transform the MPA into the World Bank Group's integrated platform for supporting Mozambique's emergence as a regional energy hub, bringing together transmission, hydropower development, regional power trade, and private capital mobilization within a single programmatic framework.

Phase 2 will support construction of the approximately 750 km Pambarra-Inchope-Matambo 400 kV transmission backbone, and substation investments, as well as provision of technical assistance. The investment will complete the integration of Mozambique's central and southern power systems, strengthen energy security, reduce constraints on power transfers, and enable more efficient use and evacuation of existing generation, including Cahora Bassa (HCB). By reducing reliance on external wheeling and imports, the backbone is expected to generate annual savings to EDM of over US$20 million. It will also provide the backbone infrastructure for future generation, including Mphanda Nkuwa (MNK), and for expanded regional power trade. The project will be co-financed by the World Bank, the European Union (EU), and the European Investment Bank (EIB). The World Bank will finance a segment of the line, the owner's engineer, and technical assistance, while the EU and EIB will pay for the other segment of the line, the new and expanded substations, and complementary technical assistance. Although focused on transmission infrastructure, Phase 2 is a foundational investment for the broader Moz Power MPA. By creating a national power system and connecting generation resources to domestic demand centers and regional markets, it will enable future hydropower development, including the 1,500 MW MNK hydropower project, and reinforce Mozambique's position as a major supplier within the Southern African Power Pool. PIMA is required independently of MNK but provides critical transmission capacity for its development and future power evacuation.The operation will be processed together with the introduction of changes to the MPA. The revised program architecture will include

Phase 3, which will support MNK as the hydropower component of the MPA through the proposed IDA guarantee and associated technical assistance, alongside support for existing hydropower assets. Additional future phases may support further transmission investments, regional interconnections, and independent transmission initiatives as sector needs evolve. The MPA will provide the common framework for coordinated IDA, IFC, and MIGA engagement under one objective, coordinated delivery arrangements, and contribute to a shared results framework.The operation is aligned with the FY26-31 Mozambique Country Partnership Framework (CPF). It directly supports Pillar 2: Foundational Infrastructure, specifically Outcome 3: Improved Energy Access and Powered Economic Corridors, by strengthening the national transmission backbone and contributing to the CPF indicator on new high-voltage power transmission capacity linking the central and southern economic corridors. The operation will reinforce grid integration, support Mozambique's objective of universal electricity access, and provide critical infrastructure to power domestic and regional economic corridors.The operation also supports the CPF's emphasis on leveraging electricity exports, mobilizing private investment in the energy sector, and developing a reinforced transmission backbone linking the north, central, and southern systems as a foundation for economic transformation, private sector growth, and job creation.

Investment Description

- World Bank (WB)

Contact Information

World Bank

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Borrower/Client/Recipient

Ministry of Finance

Implementing Agencies

Energy Regulatory Authority (ARENE)

Electricidade de Mozambique (EDM)

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Bank Documents

- Initial Environmental and Social Review Summary (ESRS) - Mozambique Power for Jobs Growth and Region
- Initial Project Information Document (PID) - Mozambique Power for Jobs Growth and Regional Integrati