

# Country Presentation: Supporting Schemes - A detailed look on systems in place

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# General strategy of the supporting scheme 1/2

The country has a high-level commitment to meeting the SDG #7 by 2030. The Integrated Master Plan for Power System 2018-2043 sets 10% of upcoming power projects to be from renewables.

The five-year GoM plan sets 200MW renewables out of 600 MW.

Mainly four programs support the development of Renewable Energy Projects:

- **PROLER** – EU/AFD; 
- **BRILHO/SNV** – UK/The Netherlands; 
- **BGFA** – Multi-donor: NEFCO/SIDA/USAID; 
- **Power Africa** – Multi-donor: USAID/NORAD/ Sweden. 

# General strategy of the supporting scheme 2/2

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- **PROLER** – Renewable Energy Auction Program – 3x40 MW Solar, 50 MW Wind to the Grid; 200 MW in the next five years. AFD supports the institutional Framework and Get.Invest supports the private sector via venture capital/private equity fund mobilization.
- **BRILHO** – technical assistency supports Solar Home System and mini-grid developers via catalytic grants and result based finance;
- **BGFA2, Mini-grids in Mozambique** – proposal based finance for mini-grid developers by covering up to 70% inictial investment;
- **Power Africa USAID** – Supports Sustainable Utility Regulation, RE Standardization and private sector finance.

# General strategy: Technological focus or prioritization

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Preference is given to Solar PV; Wind; Mini-hydro and Biomass.

- **Solar PV:** On-Grid, Mini-grid and standalone for productive use and solar home systems (SHS).
- **Wind power:** On-Grid, ~230 MW have high potential;
- **Mini-hydro:** 351 priority projects with an estimated potential of 5.6 GW were selected.
- **Biomass:** Improved cooking stoves.

# General strategy: Key figures about RES

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## **PROLER**

- Private investment of ~200 million euros to implement four renewable energy projects with total installed capacity of ~120 MW.

## **BGFA2 - Beyond the Grid Fund for Africa 2<sup>nd</sup> Call/2021**

- 6,7 million euros to cover up to 70% of project investment;
- The amount requested by eligible applications was 2,8 times the available funding offered under the call #2.

## **BRILHO/SNV and POWER AFRICA**

- lights 33,000 rural off-grid homes;
- 92 healthcare facilities across the province of Sofala (55 kWp) - 220.8 kWh of storage capacity.

# Supporting system: Investment grants, feed-in-tariffs, etc.

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- BGFA – proposal based finance covering up to 70% of mini-grid developers initial investment;
- BRILHO – result based finance for Solar Home Systems, mini-grids and Improved Cooking Stoves/Solutions;
- PROLER – AFD provides EDM, ARENE and MIREME with technical assistance for preparing and launching calls for tender;
- [GET.invest Finance Catalyst](#) provides technical support in designing financial model with minimum risk to attract investors;
- GET.invest is supported by the European Union, Germany, Sweden, the Netherlands and Austria

# Supporting system: Strengths and weaknesses

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## **Strengths:**

- The system addresses the most relevant issues to prepare the market for private investors at all levels.
- The supporting system strengthens the institutional framework.
- Informational resources are shared with relevant stakeholders;
- Support for private sector's specific needs lower risk for investors.

## **Weakness:**

- Local companies are still not taking advantage of the renewable energy market opportunities due to lack of technical and financial capacity and preparation.

# Supporting system: Positive/negative impacts/results

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## **Positive:**

- Development of The Regulation for Off-grid Energy Access;
- The private sector managed to increase its capacity and resilience;
- The percentage of energy access increases and the rural areas are served with diverse services reliant on electricity;
- Positive impact in the economy via productive use of energy.

## **Negative:**

- The willingness to pay remains a huge challenge in rural areas therefore undermining the financial sustainability and return on investment for developers and investors.



# Future aspects: Supporting scheme in the future

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- The capacity building and policy/regulatory design and reform are likely to continue as results of positive impacts of the phases already implemented;
- The BGFA is likely to continue expanding as it is a pilot phase in which Mozambique has been included;
- Get.Invest is likely to continue as the potential for the private sector is high as well as the demand for electrification both off-grid and on-grid.

# Future aspects: Changes compared to existing system

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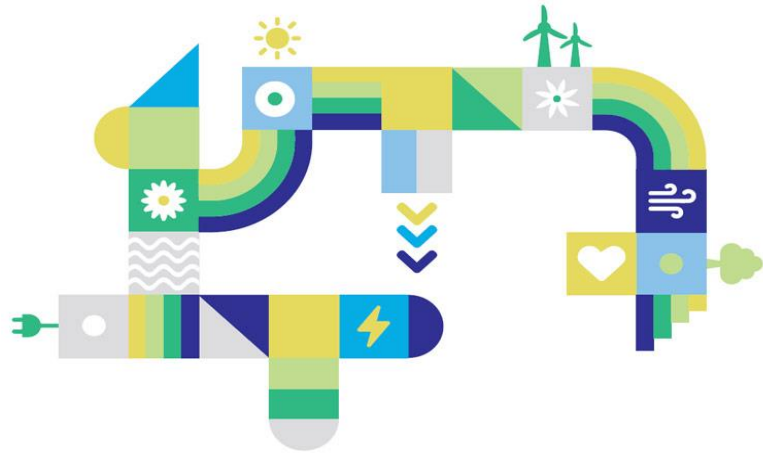
- **Flexibility** is key to adapt to growing demand from rural areas as to reduce poverty and mitigate climate change.
- As the technologies improve, feed-in-tariff will need to be adopted in urban areas as the possibility to sell the excess to the grid might attract common consumers to produce therefore drive the available capacity up – special support need to be conveyed to develop **mechanisms for Feed-in-Tariff**.

# Future aspects: Expectations

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- Sustain the current performance and keep supporting the ongoing market regulatory reforms to set a risk-free stage for private investment;
- Support the implementation energy efficiency strategy and action plan to maximize the realized potential therefore the energy access within the existing generating capacity.

# THANK YOU!



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