

# Mozambique signs first solar power deal

A newly-signed power purchase agreement marks the first step in Mozambique's plans to add renewable energy to its power mix.

[Scatec Solar](#) and [Norfund](#) have signed the deal with the state-owned utility, Electricidade de Mozambique (EDM), securing the sale of solar power over a 25-year period.

The 40MW plant is located close to the city of Mocuba in the Zambézia Province, and is expected to deliver 77,000MWh per year of much needed electricity to the northern regions of Mozambique.



The plant will deliver power to the national grid and produce enough energy to serve about 175,000 households.

A shareholder agreement was also signed between KLP Norfund Investments AS, Scatec Solar and EDM. The required project investment is estimated at \$80m. Scatec Solar (52,5%), KLP Norfund Investments (22,5%) and EDM (25%) will provide equity, while IFC, the International Finance Corporation, a member of the World Bank Group, and the Emerging Africa Infrastructure Fund intend to provide project finance debt. The parties are targeting financial close and solar plant construction start in the first quarter of 2017.

“This is an excellent example of how private public partnerships can deliver renewable energy and support further economic growth in Mozambique. EDM and the government of Mozambique have demonstrated strong leadership in taking this project

forward and it paves the way for further investments in renewable energy in the country,” says Scatec Solar CEO, Raymond Carlsen.

“Access to reliable energy is a prerequisite for development. Only 3% of the world’s electricity is generated in Africa, although 15% of the world’s population lives here. Clean energy is a focus investment area for Norfund, and we appreciate being a partner in this first independent solar power producer project in Mozambique together with EDM and Scatec Solar, says Norfund CEO, Kjell Roland.”

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