

## Signing of Japanese ODA Loan Agreement with the Republic of Mozambique —Constructing a High-Efficiency Thermal Power Plant with Low Environmental Load for Stable Power Supply—

On January 13, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of Mozambique in the capital city Maputo to provide a Japanese ODA loan of up to 17.269 billion yen for the Maputo Gas Fired Combined Cycle Power Plant Development Project.

By constructing a new, 100-MW class gas-fired combined-cycle power plant in Maputo, Mozambique, the project aims to stabilize and improve the power supply in Southern Mozambique where demand is steadily increasing due to the strong economic growth of recent years, thereby contributing to the well-being of local residents and stimulating economic activities in the region. Funds from the loan will be allocated to the procurement and installation of the gas-fired combined-cycle power plant, as well as consulting services (such as detailed design work, bidding assistance and construction monitoring).

In recent years, the economy of Mozambique has been driven by large-scale projects such as an aluminum smelting plant in Maputo, resulting in steady economic growth between 6 and 7 percent per year. Because activity in natural resource development such as of natural gas and coal is increasing, power demand is projected to rise significantly throughout the country. The power system in Mozambique is divided into two grids, one for the south, and the other for the center and north. Power demand in the south, which includes Maputo and its population of approximately 1.2 million people, is predicted to increase at an average annual rate of about 18 percent for the next five years. Because the two power grids are not connected, supplementing power supply to the south is a priority.

In this project, a high-efficiency power plant that uses domestically produced natural gas will produce electricity with a lower environmental burden while improving the stability of the power supply. This type of power plant has drawn attention in recent years as a comparatively environmentally friendly way to produce power, specifically for its improved efficiency over conventional power generation methods, the low volume of natural gas that is used as fuel and the low volume of carbon dioxide emitted.

### Reference

#### 1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Maputo Gas Fired Combined Cycle Power Plant Development Project	17,269	0.01	0.01	40	10	General untied

#### 2. Project Summaries

##### Executing Agency

Electricidade de Moçambique, EP  
Address: Av. Agostinho Neto, No. 70, 2nd Floor, P.O. Box 2447, Maputo  
Phone: +258-21-481515, fax: +258-21-493002

#### 3. Planned Implementation Schedule

- (i) Completion of project: December 2018 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including detailed design work): December 2013 (already sent)
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:  
Procurement package title: EPC contract for Gas Fired Combined Cycle Power Plant  
Release date: July 2015



Pedro Conceição Couto (back), vice minister, Ministry of Finance of Mozambique, and Katsuyoshi Sudo, chief representative, JICA Mozambique Office, sign the agreement.