

PRESS RELEASE

Deadline closes for the submission of proposals for selecting the Mphanda Nkuwa Project's strategic partner

The deadline for the submission of technical, economic and financial development proposals from the companies bidding to be the strategic partner of the Mphanda Nkuwa hydropower project closed last Friday, 10th March 2023. These companies will join Electricidade de Moçambique (EDM) and Hidroelétrica de Cahora (HCB).

Two international consortia comprising seven companies are bidding for the Mphanda Nkuwa project, namely:

- **ETC Holdings, ZESCO Limited, CECOT (Mota-Engil subsidiary) and PetroSA (Subsidiary of Central Energy Fund, South Africa).**
- **Electricité de France (EDF), Total Energies and Sumitomo Corporation.**

The submission of these proposals is the culmination of the international public tender where the qualification phase was launched in June 2022 for companies that were pre-qualified by the Mozambican Government, through the Mphanda Nkuwa Hydropower Project Implementation Office (GMNK), aimed at selecting the strategic partner for the financing, construction and operation of this power generation undertaking.

The next step will be the evaluation of the proposals, in accordance with the Public Private Partnership Law, by an Evaluation Committee chaired by the Ministry of Mineral Resources and Energy and comprising EDM, HCB, the Ministry of Economy and Finance, the Ministry of Land and Environment, the Ministry of Labour and Social Security and the Bank of Mozambique.

The selection of the strategic investor will be based on compliance with Mozambican legislation in force, technical capacity, financial soundness and international experience in the development of hydropower projects.

In addition to these requirements, tenders are accompanied by a financial bid guarantee of 10 million United States Dollars.

The strategic partner will be responsible for investing between 500 and 700 million United States Dollars corresponding to the proportion of its participation in the total investment, estimated at 4.5 billion United States Dollars, including the high voltage power transmission line from Tete and Maputo.

With an estimated cost of 4.5 billion United States Dollars, the Mphanda Nkuwa Hydropower Project includes the development of a run-of-river dam, located 61 km downstream of Cahora Bassa, on the Zambezi River, in Tete province. A hydropower plant with an installed power generation capacity of up to 1,500 Megawatts and a high-voltage power transmission line of 1,300 kilometres from Tete to Maputo.

The project is being implemented in strict compliance with internationally accepted global Environmental Social and Governance (ESG) sustainability standards and tools for mitigation of negative impacts and maximisation of positive aspects, project evaluation and certification, which focus on creating opportunities for local communities, minimise and mitigate adverse impact on biodiversity heritage.

The project will be the least cost option for power generation. It will position Mozambique as a regional power hub and contribute to universal access and industrialization, job creation, technical capacity building and energy export. The Mphanda Nkuwa project will be fundamental to the energy transition process and the decarbonisation of the Southern African region