

## “Motraco 2” (electricity)

### **1.- Brief description of the project**

Reinforcement of the South Africa / Swaziland / Mozambique electric inter-connection. The project is intended to increase the capacities of the 800 MW to 1350 MW lines, in the context of doubling Mozal (an aluminium foundry located in Mozambique) and increasing demand in Mozambique and Swaziland.

### **2.- Countries concerned by the cost and benefits**

South Africa: Eskom sells approximately 900 M W per year to Mozal

Mozambique: increase in Electricité du Mozambique’s access to very cheap electricity from Cahora-Bassa

Swaziland: improvement in the quality and reliability of the distributed current.

### **3.- Aim of the project**

To improve the technical and economic conditions of the supply of electricity in the south of Mozambique and in Swaziland.

### **4.- Contribution of the project to the political and economic objectives of the G8 development plan in reply to the NEPAD: (a) contribution to good governance: (b) regional nature: (c) contribution to the reduction of poverty: (d) opportunity for public funding**

(b) Marked regional nature (favours the integration of three countries and Mozambique’s access to the short-term energy market).

(c) Increasing the available power at a low cost for EDM, therefore enabling it to implement connection programmes in outlying areas.

### **5.- Cost of the project, method and sources of funding**

EUR 10 M loan from the EIB

Indirect investment of EUR 3.5 M from the EIB

EUR 11.5 M loan from the AFD

Total cost: EUR 25 M

### **6.- Project’s start date, duration and progress plan**

Work began in September 2002 and should be completed in May 2003.

### **7.- Potential obstacles, conditions and risks**