

Evaluation Summary

Access to electricity in the peri-urban areas of Maputo and Pemba

Country: **Mozambique**

Sector: **Energy**

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Key data on AFD's support

Project numbers: CMZ1093

Amount: 20,000,000 €

Disbursement rate: 100%

Signature of financing agreement: 11/03/2010

Completion date: 10/09/2018

Total duration: 8 years 6 months



Context

The project is part of a national energy access program developed by the Mozambican Government, the National Energy Development and Access Program (NEDAP, 215 MUSD), which covers the entire sector (access to electricity in urban, peri-urban and rural areas, development of renewable energies, capacity building of actors in the sector), in five provinces of the country and receives funding from several donors.

Actors and operating method

Beneficiary: Electricidade de Moçambique (EDM)

Co-financiers: World Bank (IDA), European Investment Bank (EIB), OPEC Fund for International Development (OFID), Arabic Funds.

The loan granted by AFD is divided into two parts:

1. Electrification in the peri-urban areas of Maputo and Pemba, which allows the extension of the distribution network and the connection of nearly 47,000 new consumers to the electricity grid;
2. Capacity building of EDM focusing on training in renewable energies and updating the master plan of the national electricity grid.

Objectives

The project aims to improve the quality of life of the populations in the peri-urban areas of Maputo and Pemba through extended access to quality electricity in these densely populated areas. It also includes technical support to the national electricity company EDM.

Expected outputs

- The program as a whole improves and increases access to electricity for disadvantaged populations in peri-urban areas, ultimately reaching nearly 300,000 beneficiaries. The project contributes to improving the living conditions of these populations and facilitates the development of economic activities, thus promoting job creation.
- The project contributes to building the capacity of the public enterprise EDM in defining its strategies and priorities, in a country and a region where the energy issue is a central element of development policies.
- The project also lead to a reduction of the consumption of charcoal or fossil fuels by households in peri-urban areas, which are harmful to the environment and to the health of the population.

Performance assessment

Relevance

EDAP was highly relevant to the needs of the energy sector and the population. The project supported government policies and manifested a great effort to harmonize stakeholders strategies. The multi-donor arrangement, although introducing operational complexities, brought many advantages to its participants. EDAP managed to mobilize top-notch expertise for the TA component of the project and the financial resources proved largely sufficient.

Coherence

The project surpassed its target regarding improved access to energy. Importantly, it fostered the upgrading of material specifications and standardization of equipment in EDM, thereby strengthening its technical performance and resulting in less power cuts, overloads, and a reduction of technical and commercial losses. EDAP helped test and define pro-poor subsidies to boost electricity access. EDM planning and project development capacity increased notably, but the company is not yet autonomous in these functions. The project contributed to create awareness and building knowledge on renewable energies.

Efficiency

Resources were mobilized effectively and in a timely manner. The procurement process led to a remaining balance worth 24% of the initial budget, which was mostly used to of additional similar work of similar nature to increase the impact of the project.

The project suffered significant delays attributable, amongst others, to initial administrative hurdles in the procurement of the principal consultant, internal challenges faced by EDM Project Implementation Unit. Funders cooperation, communication and coordination were a source of efficiency

Sustainability

New procedures (e.g. procurement), standards, and approaches (e.g. connection subsidies) introduced by the project were adopted by EDM. But the company is yet to develop the internal capacity required to regularly and autonomously update its master plan. EDAP's contribution to the upgrading of EDM's technical standards guarantees greater technical sustainability of the infrastructure installed during EDAP and beyond it. Yet, the lack of maintenance of the distribution infrastructure and the prevalence of vandalism targeting transformer stations are a concern. In the peri-urban and rural areas targeted by the project, reliable access to electricity has fueled the burgeoning of countless economic activities at different scale, demonstrating sustainable socio-economic benefits. The project did not have any direct negative impact on the natural environment. EDAP coincided with an upgrading of the legal regime around environmental and social risks management in Mozambique.

The risk analysis performed by AFD was thorough, particularly given the very low-risk nature of the works. The World Bank led the E&S component in NEDAP, the principal consultant being entrusted to implement measures ensuring compliance with acceptable standards and the Mozambican legislation. Reporting against the E&S risks lacked critically.

Added value of AFD's contribution

AFD local presence, proactive attitude, and technical expertise supported the high value of its contribution. AFD's responsiveness and flexibility in helping EDM address emerging needs was saluted, as the very successful on-the-job coaching/mentoring design of the Master Plan Update activity.

Conclusions and lessons learnt

NEDAP, an ambitious multi-donor initiative catalyzed systemic improvements in the sector.

Parallel financing appears preferable to joint financing where financial instruments differ vastly (e.g. grants, loans). Significant gains can be expected from effort to harmonize procedures, align requirements, and pool resources for joint project management, supervision and reporting. An implementation unit at the client adequately resourced and exclusively dedicated to the project is critical.

To yield more sustainable institutional gains, future capacity building efforts would benefit from more thorough analysis of human resources (HR) challenges and a corresponding HR prong.

Also, sustainability call for creating a sense of ownership at all levels of the company. Frequent exchanges between the TA project team and the management is what will foster engagement and a sense of ownership.

Building e-learning modules in capacity building activities means that portions of training can be reused for refresher and on-boarding sessions, thereby curbing the capacity loss resulting from high staff turnover rate.