



BRILHO

*Impulsionamos empresas
Iluminamos vidas*

**Mozambique Provinces
Short Profiles**





Introduction

BRILHO is a five-year programme, 2019 - 2024, that will catalyse Mozambique's off-grid energy market in order to provide clean and affordable energy solutions to the country's off-grid population.

The objective of the BRILHO Programme is to improve and increase energy access for 1.5 million people and businesses, leverage the private sector's innovation and investment capacity, resulting in market growth of clean cooking solutions, solar home systems and mini-grids.

The Research and Dissemination Component aims to improve the availability of relevant information to the private and public sector on topics associated with off-grid energy in Mozambique. The information provided in the following slides presents baseline information based on secondary data which is publicly available.

Mozambique and the BRILHO Programme

Mozambique is located in SouthEastern Africa bordered by Eswatini to the South, South Africa to the SouthWest, Zimbabwe to the West, Zambia and Malawi to the NorthWest, Tanzania to the North and the Indian Ocean to the East. As of 2018, the country has a population size of 27 909 799. Mozambique has a large power generation potential from untapped coal, hydro, gas, wind and solar resources. Despite the outsized potential, only 28% of the population has access to electricity, which leaves millions of households reliant on inefficient lightning and energy solutions.

For additional information at country level, visit the BRILHO website: www.brilhomoza.com. On the Resources section, there are three documents that present useful information regarding the context of Mozambique, existing strategies and frameworks, policy actions, current coordinated support, amongst other topics as well as detailed information and guidelines for application for the BRILHO Programme.

The screenshot displays the BRILHO website's 'Resources' page. The navigation bar includes 'BRILHO', 'HOMEPAGE', 'ABOUT US', 'HOW TO APPLY', 'NEWS AND STORIES', 'RESOURCES' (highlighted), and 'SIGN IN'. Logos for 'ukaid' and 'SNV' are also present. The main heading is 'Documents'. Three document thumbnails are shown:

- Energy Africa Compact for Mozambique:** Features a night scene with people and lights. Text includes 'ENERGY AFRICA MOÇAMBIQUE MOZAMBIQUE', 'CONTRACTO E PLANO DE ACÇÃO/CONTRACT AND PLAN OF ACTION', and 'November 2018/Nov 2018'. A PDF icon is at the bottom left.
- BRILHO Energy Africa Mozambique Market Development Fund Guidelines for Applicants:** Features an illustration of a woman in a yellow dress and a man on a ladder. Text includes 'BRILHO Energy Africa Mozambique Market Development Fund' and 'Guidelines for Applicants'. A PDF icon is at the bottom left.
- BRILHO Flyer:** Features an illustration of a village with a school and a street. Text includes 'BRILHO' and 'BRILHO Flyer'. A PDF icon is at the bottom left.



Relevant Policies

As Indicate in the Mozambique Energy Africa Compact document, the most relevant policies, strategies and plans which, illustrate the commitment of the GoM in meeting the Universal Energy Access targets by 2030 include:

- **The National Development Strategy (ENDE) for 2015-2035 (2015).**
- **The Mozambican Government's Five-Year Plan for 2015-2019.**
- **The Economic and Social Plan (PES).**
- **The Energy Strategy (2009).**
- **The New and Renewable Energy Development Policy - PDENR (2009).**
- **The New and Renewable Energy Development Strategy for the 2011-2025 period – EDENR (2011).**

Governance and Decentralization

The governing structure at the Provincial level follows a hierarchical organizational structure headed by a political figure (that no longer represents the central government), the Provincial Governor, who is elected by national citizens living in the territorial constituency of the Province. It is envisioned that this position aims to respond to the challenges of decentralization, which ensures that power is brought closer to citizens.

According to the new Decentralization Law No. 7/2019, 31 May, the Secretary of State (appointed by the President of the Republic) and the Council of the Provincial Services of State Representation are representative bodies of the state at Province level. The Secretaries of State must deal with matters linked with state sovereignty such as defense, security and public order. Several sector institutions such as environment, agriculture, fisheries, tourism, health, education, mineral resources and energy. It is relevant to mention that the Secretary of State must ensure the licensing of low and medium voltage power generation and distribution.

The Council of Provincial Services of State follows a hierarchical organizational structure, where the Infrastructure Provincial Service and the Environmental Provincial Service are relevant for the development of any project under this Programme. The aforementioned law has recently been taken into effect, therefore the implications for the business development at Province level are in the process of being assessed.





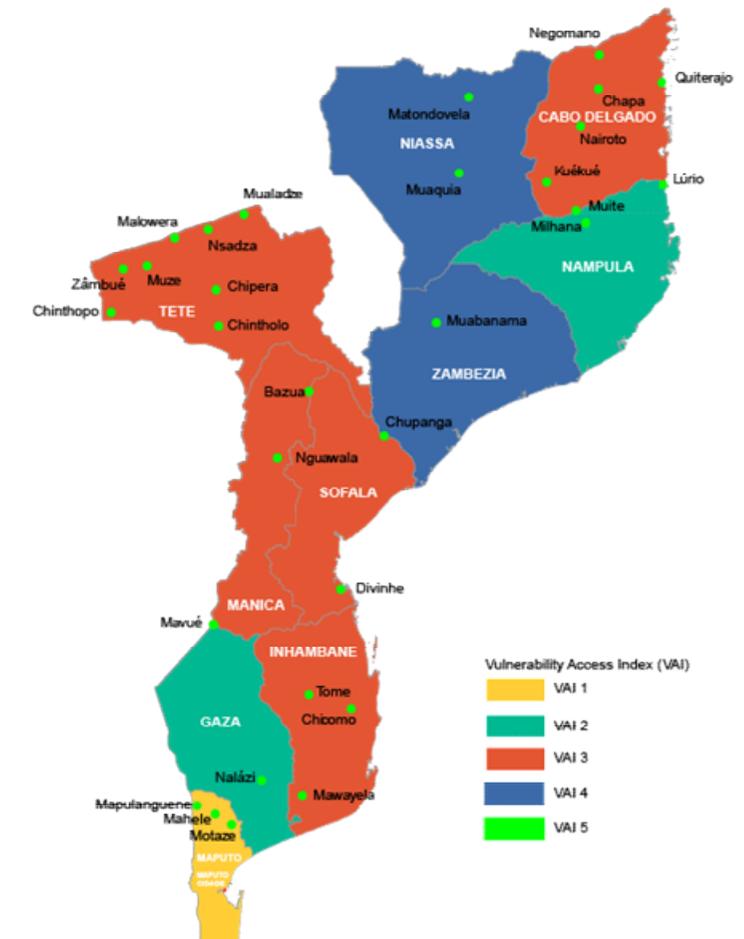
AREAS OF IMPLEMENTATION.

AREAS OF IMPLEMENTATION

The Areas of Implementation are presented based on a Vulnerability Access Index (VAI). This index was developed using official public data on socio-economic characteristics and market infrastructure conditions of different Provinces in Mozambique. To stimulate engagement of businesses in challenging and underserved localities in Mozambique, BRILHO aims to reward businesses with higher incentives for products sold in those areas.

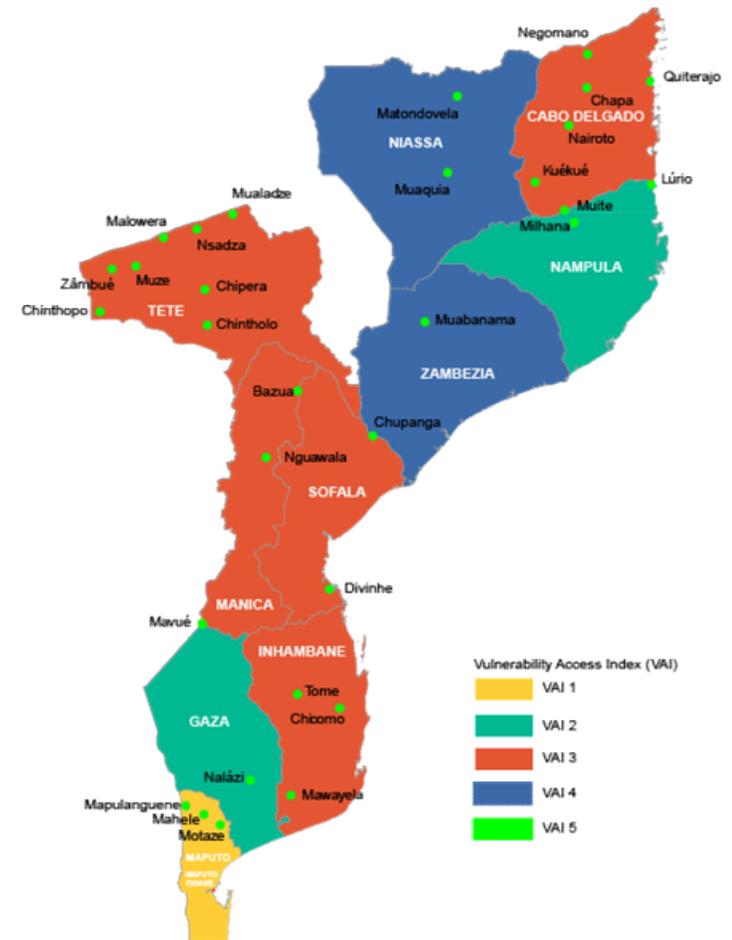
The VAI ranks and scores Provinces on socio-economic risk factors and infrastructural conditions, as a basis to establish a geographic differentiation in incentive levels. At its core, the calculation of the VAI is based on harmonizing both socio-economic risks and market infrastructure factors that have been expressed by businesses as directly influencing their decision making in market investments.

These have been integrated to the Results Based Financing (RBF) incentive valuation methodology to ensure that incentive values are highest in Provinces with the greatest level of socio-economic vulnerability and the lowest level of market infrastructure. Conversely, regions with the lowest VAI scores (low socio-economic vulnerability and more developed market infrastructure) will receive the lowest incentive values. Taken as a whole, the VAI can further provide a discreet roadmap to broad market context for use by current and incoming businesses to the MDF.



AREAS OF IMPLEMENTATION

	VAI	Area of Implementation	Incentive
<p>C. Underserved Areas Bonus:</p> <p>Rewards businesses with increased financial incentives for engaging in lesser developed, remote localities of Mozambique by applying a Vulnerability Access Index (VAI).</p> <p>VAI 5: In conjunction with the Government of Mozambique, specific Administrative Posts have been identified as priority market development localities.</p>	VAI 1	Maputo City and Maputo Province	0%
	VAI 2	Gaza, Nampula	50%
	VAI 3	Manica, Inhambane, Tete, Sofala and Cabo Delgado	100%
	VAI 4	Zambezia and Niassa	150%
	VAI 5	PAP: Priority Administrative Posts	200%





SHORT PROFILES: VAI 1

Brief Information about Maputo Province

Maputo Province is located in Southern Mozambique, bordered by Gaza Province to the North, Swaziland and South Africa to the South-West and the Indian Ocean to the East. It has an area of 26,058 Km², with Matola as its capital city. The Province is divided into 8 Districts and 4 Municipalities.

As of 2017, Maputo Province has a total population of 1 968 906, which is equivalent to roughly 7% of the national population (INE). In terms of population density, it is the second highest in the country, with 76 hab/km². About 52.11% of the population is female. The economy is dominated by subsistence agriculture. Large scale enterprises are producing sugar cane under irrigated conditions. Small scale agriculture (eg production of horticultural crops), artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. Other important industries in the Province include tourism (eg Ponta do Ouro Partial Marine Reserve and Maputo Special Reserve) and large-scale manufacturing. Maputo Province is responsible for 16.3% of Mozambique's Gross Domestic Product (GDP) and only 11.80% of the population of the Province is living below poverty line.

In terms of infrastructure, in Maputo Province, the electricity access rate is approximately 95.80%, which is the highest in the country (INE, 2017). Most households, both in rural and urban settings, are connected to the national grid. In rural Maputo, kerosene and candles are the most used alternatives for household energy. The nearest Port is the Maputo Port, which is approximately 14 km from Matola City.



Brief Information about Maputo City

Maputo City (red dot on map), the capital of Mozambique, is located in Southern Mozambique within Maputo Province. It is bordered by Marracuene District to the North, Matola District to the West, Matutuine District to the South and the Indian Ocean to the East. It has an area of 346 Km². Maputo city has one municipality that is divided into seven municipal Districts. As of 2017, Maputo City has a total population of 1,120,867 people, which corresponds to approximately 4% of the national population (INE). About 51.55% of the population is female. Maputo City was considered one of the cities with the highest potential for inclusive growth and it occupies a central position in terms of infrastructure, economic activity, education and health. Most of the services and corporate headquarters of main economic groups and companies are concentrated in this area and it is responsible for 18.5% of Mozambique's GDP. The trade, transport and communications and manufacturing sectors are the most important sectors that contribute to the national economy. Only 3.83% of the population of Maputo city is living below the poverty line.

In terms of infrastructure, in Maputo City, the electricity access rate is approximately 81.83%, the second highest in the country (INE, 2017). Maputo City is considered an urban area. Most of the households are connected to the national grid. In the areas where there is no access to the national grid, households utilize other sources such as candles and kerosene. The nearest port is the Port of Maputo, located on the West side of Maputo Bay (Indian Ocean).





SHORT PROFILES: VAI 2

Brief Information about Gaza

Gaza Province is located in Southern Mozambique, bordered by Manica Province to the North, Zimbabwe and South Africa to the West, Inhambane Province to the East and the Indian Ocean to the South. It has an area of 75,709 Km², with Xai-xai as its capital city. The Province is divided into 14 Districts and 6 Municipalities. As of 2017, Gaza has a total population of 1 422 460, which is equivalent to roughly 5% of the national population (INE). About 54.66% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include rice and sugar cane. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. A few other industries are tourism (eg Limpopo National Park, Banhine National Park and part of Zinave National Park) and low scale manufacturing. Gaza Province is responsible for 4.4% of Mozambique's Gross Domestic Product (GDP) and 43.62% of the population of the Province is living below poverty line.

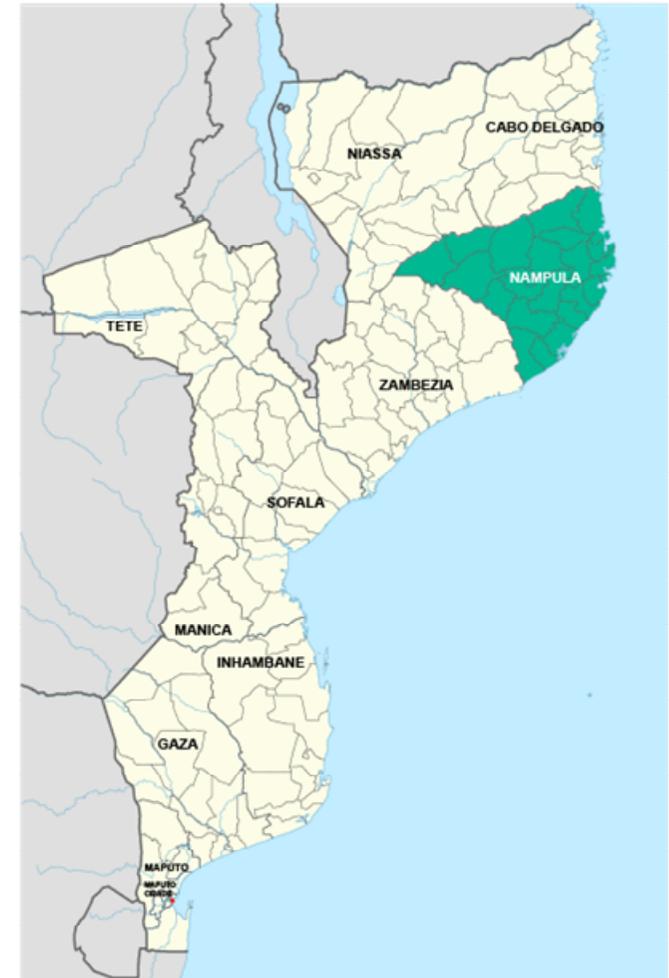
In terms of infrastructure, in Gaza, the electricity access rate is approximately 46.20%, which is significantly high compared to the other Provinces, ranking the third highest in the country (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In rural settings, other sources such as petroleum/paraffin/kerosene, candles, car batteries and batteries are utilized. It is important to note that the rural population is still heavily reliant on biomass to fulfill their vital domestic needs of lightning and cooking. Gaza Province is one of the main current supply areas of charcoal to Maputo and Mabalane District is one of the areas known to have the highest number of licenses for charcoal production of all district in Gaza Province. The closest Port is located in Maputo city, which is 220 km from Xai-xai city.



Brief Information about Nampula

Nampula Province is located in Northern Mozambique, bordered by Cabo Delgado and Niassa Provinces to the North, Zambézia Province to the South and the Indian Ocean to the East. It has an area of 81,606 Km² with Nampula as its capital city. The Province is divided into 23 Districts and 7 Municipalities. As of 2017, Nampula has a total population of 5 758 920, which is equivalent to roughly 21% of the national population (INE). About 51.22% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include cashews, sesame seeds, tobacco and cotton. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. The extractive industry has recently taken off in Angoche, in Nampula, especially in the gas sector. The Island of Mozambique, located in Nampula Province, is a UNESCO World Heritage site. Additionally, the Primeiras e Segundas Environmental Protected Area are partly in located in the Province. Nampula Province is responsible for 14.8% of Mozambique's Gross Domestic Product (GDP) and 64.84% of the population of the Province is living below poverty line.

In terms of infrastructure, in Nampula, the electricity access rate is approximately 22.90% (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In rural Nampula, households rely substantially on kerosene, batteries and wood as alternative sources of energy for lighting and cooking. The full extent of charcoal production and its impacts on woodland resources remain largely unknown, mainly due to the sparse data on all aspects of the charcoal industry, which is largely informal. The nearest port is located in Nacala, which is 196 km from Nampula city.





SHORT PROFILES: VAI 3

Brief Information about Manica

Manica Province is located in central Mozambique, bordered by Tete Province to the North, Zimbabwe to the West, Gaza Province to the South and Sofala Province to the East. It has an area of 61,661 km², with Chimoio as its capital city. The Province is divided into 12 Districts and 6 Municipalities. As of 2017, Manica has a total population of 1 945 994, which is equivalent to roughly 7% of the national population (INE). About 52.13% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include bananas, potatoes, sesame seeds and macadamia nuts. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. A few other industries are tourism (eg Gorongosa National Park), gold mining and low scale manufacturing. Manica Province is responsible for 3.4% of Mozambique's Gross Domestic Product (GDP) and 37.15% of the population of the Province is living below poverty line.

In terms of infrastructure, in Manica, the electricity access rate is approximately 21.50% (INE, 2017). Households with on-grid electricity are mainly located in urban areas, however a large number of households also use batteries, kerosene and candles. In rural settings, other sources such batteries and wood are highly utilized by the local communities. These communities are reliant on biomass to fulfill their vital domestic needs of lightning and cooking. The nearest port is located at the Pungwe Estuary (Indian Ocean), in Beira, which is 204 km from Chimoio.



Brief Information about Inhambane

Inhambane Province is located in Southern Mozambique, bordered by Manica and Sofala Provinces to the North, Gaza Province to the West and the Indian Ocean to the East. It has an area of 68,615 Km², with Inhambane as its capital city. The Province is divided into 14 Districts and 5 Municipalities. As of 2017, Inhambane has a total population of 1 488 676, which is equivalent to roughly 5% of the national population (INE). About 54.22% of the population is female. The economy is dominated by subsistence agriculture, artisanal fishing and livestock production which are important subsectors in the socioeconomic life of the population for employment, income and food security. The natural gas production in Inhambane is located in the Pande-Temane fields, delivering gas to the domestic market and South Africa. Tourism is also an important sector for the economy with Bazaruto National Park, Pomene National Reserve, Cabo Sao Sebastiao Total Protected area and part of Zinave National Park. Inhambane Province is responsible for 8.7% of Mozambique's Gross Domestic Product (GDP) and 34.52% of the population of the Province is living below poverty line.

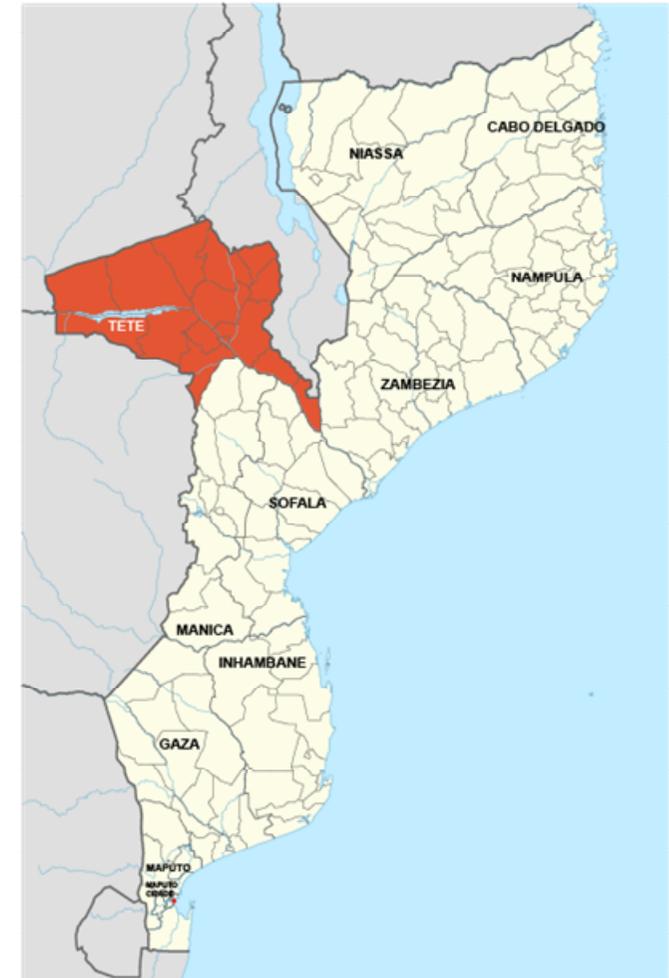
In Inhambane, the electricity access rate is approximately 20.40%, which is average when compared to the other Provinces (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In Inhambane, in the rural areas, the most common energy source are batteries which come at a higher cost than most renewable energy sources. Kerosene and car batteries also also two important sources of energy for these communities. The nearest ports are the Maputo Port, located in Maputo city, which is 477 km from Inhambane city, and the Beira Port in Beira, which is 794 km from Inhambane city.



Brief Information about Tete

Tete Province is located in Northern Mozambique, bordered by Zambia to the North, Malawi and Zambézia Province to the East, Manica and Sofala Provinces to the South and Zimbabwe to the West. It has an area of 100,724 Km², with Tete as its capital city. The Province is divided into 15 Districts and 4 Municipalities. As of 2017, Tete has a total population of 2 642 841, which is equivalent to roughly 9% of the national population (INE). About 51.12% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include cashews, sesame seeds and cotton. The extractive industry in Tete had long been known, with vast coal reserves and significant potential for additional mineral deposits. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. Tete Province is responsible for 7.4% of Mozambique's Gross Domestic Product (GDP) and 41.93% of the population of the Province is living below poverty line.

In terms of infrastructure, in Tete, the electricity access rate is approximately 14.90%, which is significantly low when compared to the other Provinces (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In rural settings, batteries are heavily used, followed by wood and car batteries. It is important to note that solar panels and generators are also significantly used. Candles are equally used in urban and rural settings. The nearest port is Beira Port, located in Beira, which is roughly 642 km from Tete city. There is a smaller port in Quelimane city, with is approximately 646 km from Tete city.



Brief Information about Sofala

Sofala Province is located in central Mozambique, bordered by Zambézia and Tete Provinces to the North, Manica Province to the West, Inhambane Province to the South and the Indian Ocean to the East. It has an area of 68,018 Km², with Beira as its capital city. The Province is divided into 13 Districts and 5 Municipalities. As of 2017, Sofala has a total population of 2 259 248, which is equivalent to roughly 8% of the national population (INE). About 51.60% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include cashews, sesame seeds and cotton. Shallow water shrimp is one of the most valued fisheries in Mozambique. Livestock production is also important subsector in the socioeconomic life of the population for employment, income and food security. Sofala Province is responsible for 10.2% of Mozambique's Gross Domestic Product (GDP) and 49.56% of the population of the Province is living below poverty line.

In terms of infrastructure, in Sofala, the electricity access rate is approximately 38.20% (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In Sofala, the most common energy source are batteries which come at a higher cost than most renewable energy sources, with a higher incidence in the rural area. Additionally, in rural Sofala, other sources of energy that are significantly used by the local communities include wood, car batteries and kerosene. It is important to note that the rural population is still heavily reliant on biomass to fulfill their vital domestic needs of lightning and cooking. The nearest port is the Beira Port, located in Beira, the capital city.



Brief Information about Cabo Delgado

Cabo Delgado Province is located in Northern Mozambique, bordered by Tanzania to the North, Niassa Province to the West, Nampula Province to the South and the Indian Ocean to the East. It has an area of 82,625 Km² and Pemba is its capital city. The Province is divided into 17 Districts and 5 Municipalities. As of 2017, Cabo Delgado has a total population of 2 333 278, which is equivalent to roughly 8% of the national population (INE). About 51.55% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include cashews, sesame seeds and cotton. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. Tourism is also an important sector for the economy with Quirimbas National Park and part of Niassa National Reserve. The extractive industry has recently taken off in Palma District, Cabo Delgado, representing one of the largest gas reserves in the world. Cabo Delgado Province is responsible for 4.7% of Mozambique's Gross Domestic Product (GDP) and 50.03% of the population of the Province is living below poverty line.

In terms of infrastructure, in Cabo Delgado, the electricity access rate is approximately 14.90%, the second lowest in the country (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In rural settings, batteries are the preferred alternative, followed by wood and car batteries. Generators and solar panels are also significantly used in the rural communities. The closest port to Cabo Delgado is Nacala Port, located in Nacala, in Nampula Province, which is 431 km from Pemba.





SHORT PROFILES: VAI 4

Brief Information about Zambezia

Zambezia Province is located in central Mozambique, bordered by Nampula and Niassa Provinces to the North, Malawi and Tete Province to the West, Sofala Province to the South and the Indian Ocean to the East. It has an area of 105,008 Km², with Quelimane as its capital city. The Province is divided in 22 Districts and 6 Municipalities. As of 2017, Zambézia has a total population of 5,164,732, which is equivalent to roughly 19% of the national population (INE). About 52.05% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include cashews, sesame seeds and cotton. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. Other important sectors include tourism (eg Gilé National Reserve, Namuli Mountain and Primeiras e Segundas Environmental Protected Area), trade and manufacturing. Zambezia Province is responsible for 9% of Mozambique's Gross Domestic Product (GDP) and 61.76% of the population of the Province is living below poverty line.

In terms of infrastructure, in Zambézia, the electricity access rate is approximately 12.50%, which is significantly low when compared to the other Provinces (INE, 2017). Households with on-grid electricity are mainly located in urban areas. In Zambezia, the most common energy source is batteries which come at a higher cost than most renewable energy sources. Rural communities are still heavily reliant on biomass to fulfill their vital domestic needs of lightning and cooking. Other alternatives significantly used are car batteries, generators and solar panels and kerosene. The nearest ports are located in Beira, which is 483 km from Quelimane, and im Nacala, which is roughly 566 km from Pebane District. There is a smaller port in Quelimane city.



Brief Information about Niassa

Niassa Province is located in Northern Mozambique, bordered by Tanzania to the North, Malawi to the West, Nampula and Zambézia Provinces to the South and Cabo Delgado Province to the East. It has an area of 118,682 Km², with Lichinga as its capital city. The Province is divided into 16 Districts and 5 Municipalities. As of 2017, Niassa has a total population of 1,471,547, which is equivalent to roughly 6% of the national population (INE). About 51.69% of the population is female. The economy is dominated by subsistence agriculture; a few of the cash crops include cashews, sesame seeds and cotton. Artisanal fishing and livestock production are also important subsectors in the socioeconomic life of the population for employment, income and food security. Large scale graphite and limestone reserves can be found Niassa. Tourism and hunting tourism area important for the economy of the Province in the Niassa National Reserve. Niassa Province is responsible for 2.7% of Mozambique's Gross Domestic Product (GDP) and 66.70% of the population of the Province is living below poverty line.

In terms of infrastructure, in Niassa, the electricity access rate is approximately 16.10% (INE, 2017). In terms of planned expansion, the information is currently being collected and will be updated once made publicly available. Households with on-grid electricity are mainly located in urban areas. In rural Niassa, households rely on batteries and wood as alternative sources of energy. The rural population is still heavily reliant on biomass to fulfill their vital domestic needs of lightning and cooking. The nearest port is located in Nacala, which is 196 km from Nampula city.

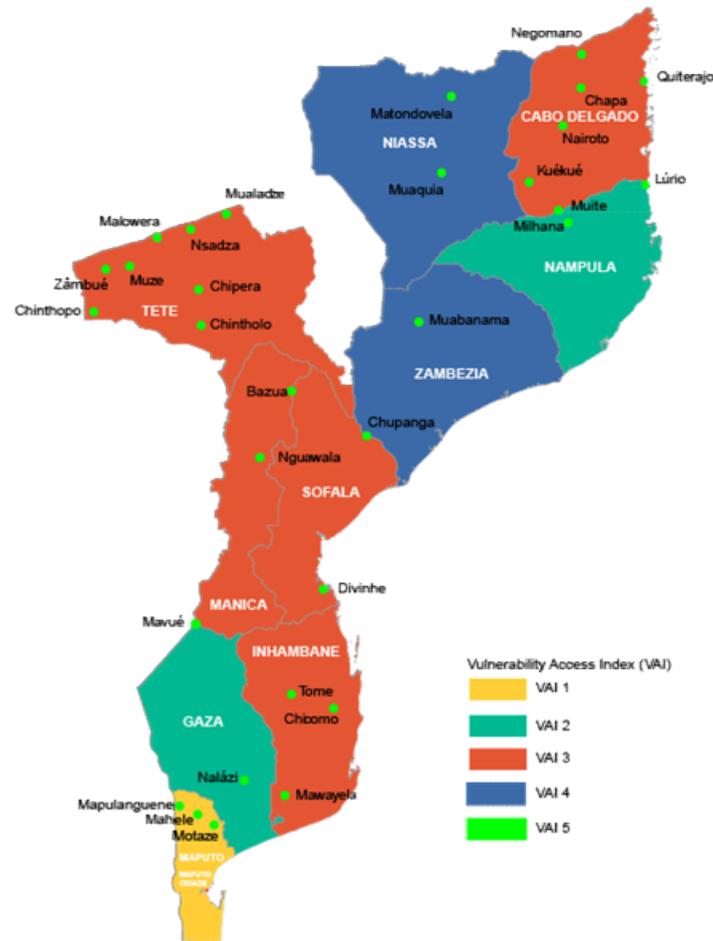




SHORT PROFILES: VAI 5

Brief Information about VAI 5

As mentioned above, in conjunction with the Government of Mozambique, specific Administrative Posts (*Postos Administrativos*) have been identified as priority market development localities. There are 31 sites across the large majority of the Provinces. It is important to note that these Administrative Posts (*Postos Administrativos*) are expected to be electrified with Green Mini-Grids (GMG) or GMG combined with SHS (Solar Home Systems), as stated in the MDF Guideline.



Nº	Province	District	Posto Administrativo	Geographic Coordinates
1	Cabo Delgado	Mueda	Chapa	11°53'17.0"S 39°18'25.4"E
2	Cabo Delgado	Montepuez	Nairoto	12°33'08.0"S 39°00'10.3"E
3	Cabo Delgado	Balama	Kuekue	13°32'51.7"S 38°25'16.6"E
4	Cabo Delgado	Macomia	Quitarejó	11°45'04.5"S 40°25'50.7"E
5	Cabo Delgado	Mueda	Negomano	11°25'42.6"S 38°29'42.4"E
6	Gaza	Massangena	Mavue	21°19'10.9"S 32°25'14.0"E
7	Gaza	Guijá	Nalazi	24°02'58.5"S 33°19'40.7"E
8	Inhambane	Funhalouro	Tome	22°32'26.9"S 34°12'46.1"E
9	Inhambane	Panda	Mawayela	24°21'24.5"S 34°06'41.8"E
10	Inhambane	Massinga	Chicomo	22°46'31.1"S 35°01'09.8"E
11	Manica	Tambara	Bazua	17°14'54.1"S 34°10'41.1"E
12	Manica	Macossa	Nguawala	18°24'45.5"S 33°36'11.6"E
13	Maputo	Magude	Motaze	24°47'51.4"S 32°51'42.0"E
14	Maputo	Magude	Mapulanguene	24°29'24.3"S 32°05'10.4"E
15	Maputo	Magude	Mahele	24°38'25.1"S 32°26'02.9"E
16	Nampula	Mecuburi	Muite	14°01'25.4"S 39°01'59.7"E
17	Nampula	Mecuburi	Milhana	14°09'28.2"S 39°11'13.4"E
18	Nampula	Membra	Lúrio	13°32'09.3"S 40°30'13.0"E
19	Niassa	Mecula	Matondovela	12°04'48.4"S 37°00'09.1"E
20	Niassa	Majune	Muaquia	13°24'43.5"S 36°50'50.6"E
21	Sofala	Marromeu	Chupanga	18°01'11.0"S 35°33'51.7"E
22	Sofala	Machanga	Divinhe	20°42'11.0"S 34°47'33.6"E
23	Tete	Zumbo	Muze	15°03'56.6"S 31°14'17.4"E
24	Tete	Cahora-Bassa	Chintolo	16°06'20.4"S 32°31'38.3"E
25	Tete	Zumbo	Zâmbué	15°06'55.0"S 30°48'15.8"E
26	Tete	Marrávia	Malowera	14°34'29.1"S 31°44'18.4"E
27	Tete	Chifunde	N'sadzu	14°25'34.5"S 32°20'38.7"E
28	Tete	Marrávia	Chipera	15°28'55.0"S 32°28'54.7"E
29	Tete	Chifunde	Mwaladze	14°09'59.6"S 32°59'12.4"E
30	Tete	Mágoe	Chinthopo	15°51'22.5"S 30°34'36.2"E
31	Zambézia	Lugela	Muabanama	16°01'12.3"S 36°28'59.1"E



SETTING UP A BUSINESS.

Incorporation and Licensing of a Company

The incorporation of a company in Mozambique is foreseen in the Mozambican Commercial Code (CCM), enacted by Decree-Law 2/2005 of December 27, which was recently amended by Decree-Law 1/2018 of May 4. There are three types of unlimited liability companies (partnerships, limited partnerships and partnerships by shares) and three types of limited liability companies (capital and industry companies, private limited liability companies and public limited liability companies). There are two main types of limited liability companies, mainly used by investors, in Mozambique:

- the limited liability company by quotas – Sociedade por Quotas (“LDA”) – minimum of 2 shareholders
- the limited liability company by shares – Sociedade Anónima (“SA”). – minimum of 3 shareholders

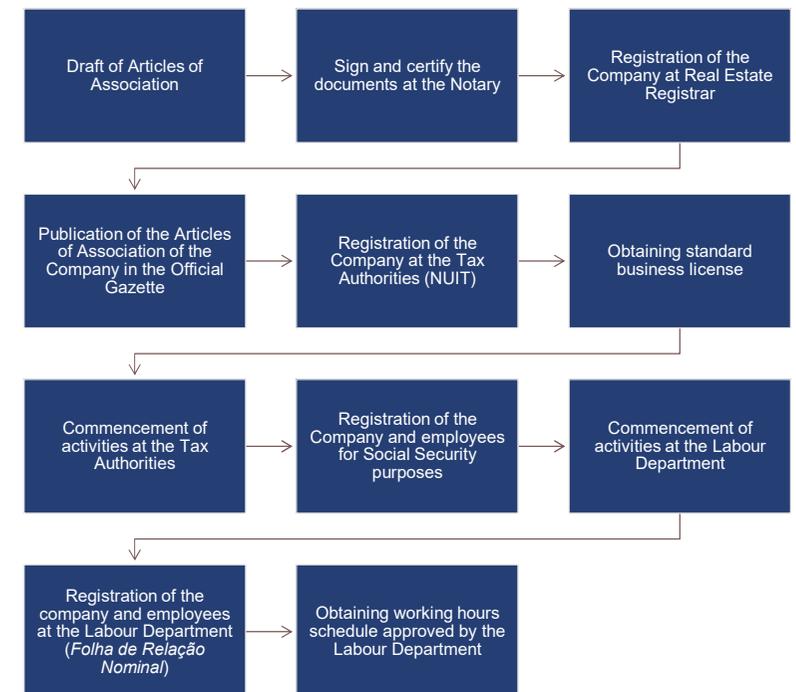
There is no statutory minimum share capital needed to incorporate a company. However, the share capital of the company is required to be in an amount appropriate to the business that it shall carry out.

In order to obtain a commercial license, a company must have first completed the incorporation process. The company must also have premises adequate for the type of work it plans to undertake which can be inspected when applying for the commercial license. Depending of the type of activity, other licenses/authorizations may be required such as, land title, import & export card, environmental license.



Incorporation of a Company

- Obtaining the company name certificate of the Company with the Legal Entities Registry of Maputo - 1 to 2 business days;
- Drafting the Articles of Association - 5 to 10 business days;
- Drafting and execution before a notary public of the appropriate resolutions and powers-of-attorney of the Company's shareholders – 3 to 5 business days;
- Legalizing the Company's corporate shareholders' (i) updated company registration certificate; (ii) Articles of Association; and (iii) resolutions and powers-of-attorney - 3 to 15 business days;
- Obtaining sworn translations of the corporate shareholders' (i) updated company registration certificate; (ii) Articles of Association; and (iii) resolutions and powers-of-attorney of the corporate shareholders – 3 to 4 business days;
- Execution of the Incorporation Deed before a Notary Public and registration of the Company with the Legal Entities Registry of Maputo – 1 to 3 business days;
- Publication of the NewCo's Articles of Association in the Mozambican Official Gazette - Application and payment are made upon registration of the Company, but the publication may take 2 to 3 weeks;
- Registration of the Company with the Tax Authorities and obtaining its taxpayer number (locally called "NUIT") – 1 to 5 business days;
- Obtaining a business license from the Ministry of Trade and Industry – 5 to 10 business days;
- Declaring the Commencement of Activities with the Tax Authorities, Directorate of Labour and Social Security – 3 to 4 business days



Note: Other provinces have a delay to publish the Company's articles of association in the official gazette because the national printing press is located only in Maputo City, which means that investors across the country must send a hard copy of the publication extract via post as well as provide a digital copy, adding two weeks to the process.

Investment and Fiscal Benefits

Mozambique offers a number of incentives and exemptions to both national and foreign investors. These include limited tax reductions and duty exemptions for investment in certain geographic zones or activities.

The Investment Law and ancillary regulations establish the minimum foreign direct investment required for the approval of an investment project at MZN 2,500,000.00. Once an investment project is approved, the State of Mozambique guarantees that the foreign investor will be allowed to transfer abroad profits, royalties, amongst other specified in the law.

Qualifying companies wishing to benefit from the exemptions on offer are required to register their project with the government's investment promotion body (APIEX). These fiscal benefits include exemption of customs duties and VAT on the import of equipment classified as class "K" in the Customs Tariff Schedule tax, corporate tax reduction for the first five years of the project and other benefits stated in the Code of Fiscal Benefits.



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