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## Mphanda Nkuwa must not repeat the social abuses of the coal industry in Tete



Mozambique is closer to securing financing for the \$6.4 billion Mphanda Nkuwa Hydroelectric Project, with support from the African Development Bank and international partners.<sup>1</sup> Presented as a strategic investment to transform the energy sector, the 1,500

MW project promises industrial growth, regional exports, and macroeconomic benefits.

However, infrastructure projects of this magnitude involve significant social and human rights risks that must be addressed preventively, not just after damage has occurred.

<sup>1</sup> According to a note from the African Development Bank, another step was taken following a high-level technical workshop recently held at the institution's office in Maputo, which brought together representatives from the Ministry of Finance, the Ministry of Mineral Resources and Energy, Electricidade de Moçambique (EDM), the Mphanda Nkuwa Implementation Office (GMNK), and the African Development Bank itself. African Development Bank Group. (2026, February 12). Mozambique advances Mphanda Nkuwa hydropower project with African Development Bank support. <https://www.afdb.org/en/news-and-events/press-releases/mozambique-advances-mphanda-nkuwa-hydropower-project-african-development-bank-support-90816>



**The success of Mphanda Nkuwa will not be determined solely by the 1,500 MW generated, but by demonstrating that the country can develop strategic infrastructure without repeating historical cycles of abuse, human rights violations, and social conflict.**



## A structuring project that has been in the pipeline for over half a century

The Mphanda Nkuwa hydroelectric project is not a recent initiative, but a proposal dating back to the colonial period, initially considered before the construction of Cahora Bassa and repeatedly revived over more than four decades. Since then, it has gone through several cycles of feasibility studies, concession attempts, cancellations due to financing difficulties, and successive institutional relaunches, involving different international partners and financial institutions. More recently, the Mozambican state restructured the project through EDM and HCB and formalized a partnership with an international consortium led by Electricité de France (EDF), TotalEnergies, and Sumitomo, placing the project back in the preparation phase for a final investment decision.<sup>2</sup>

Located on the Zambezi River, approximately 60 km downstream from the Cahora Bassa dam and 70 km upstream from the city of Tete, the project includes the construction of a dam, a reservoir of approximately 100 km<sup>2</sup>, and a high-voltage transmission line of approximately 1,300 km connecting Tete to Maputo.

The total estimated cost of the project is approximately US\$6.4 billion, including about

US\$5 billion for the dam and hydroelectric power plant and US\$1.4 billion for the power transmission line.<sup>3</sup> Operation is scheduled to begin in 2031, after approximately two years of planning and six years of construction. The dam will become the third largest on the main channel of the Zambezi River and the largest hydroelectric infrastructure built in Southern Africa in the last five decades.

It is projected that around 900 MW, corresponding to 60% of the energy generated, will be exported mainly to South Africa and Zimbabwe, while around 600 MW will be destined for domestic consumption.<sup>4</sup> The initiative has the support of multilateral financial institutions, including the World Bank, the African Development Bank, and the European Investment Bank.

In this context, Mphanda Nkuwa emerges as one of the largest public and private investments in the country's recent economic history. However, the financial and energy scale of the project also increases the magnitude of the associated social risks, especially in a country where previous experiences demonstrate that large projects can involve serious consequences. Significant social and human rights risks.

## Main social and human rights risks

The reservoir area, covering approximately 100 km<sup>2</sup> along the Zambezi River, will directly affect the districts of Chiúta, Marara, and Cahora Bassa. It is estimated that more than 1,400 families, corresponding to at least 8,120 people, may face physical displacement.<sup>5</sup> Furthermore, changes in the river's hydrological regime could indirectly affect up to approximately 350,000 people in the Zambezi Delta, whose food security depends on agriculture, fishing, and informal activities associated with seasonal floods.

The permanent flooding of agricultural land, the loss of grazing areas, and the disruption of fishing routes could compromise local economies based on low-yield production systems. Furthermore, there is the potential submersion of cultural heritage, the loss of which has profound social implications that cannot be compensated for solely by monetary indemnities.

National history demonstrates the materialization of these risks. In the province of Tete, coal mining led to the resettlement of thousands of

<sup>2</sup> The private consortium holds 70% of the shareholding, while EDM and HCB retain the remaining 30%.

<sup>3</sup> 360 Mozambique. (2025, July 22). World Bank pledges support for Mozambique's Mphanda Nkuwa hydropower project. <https://360mozambique.com/business/infrastructure/world-bank-pledges-support-for-mozambiques-mphanda-nkuwa-hydropower-project/>

<sup>4</sup> Environmental Justice (JA). (2022, August 1). Mphanda Nkuwa dam: A climate change millstone around Mozambique's neck. JA4Change. <https://ja4change.org/2022/08/01/mphanda-nkuwa-dam-a-climate-change-millstone-around-mozambiques-neck>

<sup>5</sup> Environmental Justice (JA!), CCFD-Terre Solidaire, & European Center for Constitutional and Human Rights (ECCHR). (2025). Without our land and our river, we will starve: Unmasking green colonialism in the EDF, Sumitomo and TotalEnergies hydroelectric dam project in Mozambique. <https://stopmozgas.org/ja-blog-en/press-release-mphanda-nkuwa-dam-project-in-mozambique-green-colonialism-threatening-communities-and-the-zambezi-river/>

families to areas with low soil fertility and limited access to water, resulting in food insecurity and dependence on informal work. In the case of Cahora Bassa, the construction of the dam in the 1970s displaced entire communities and permanently altered the Zambezi River's flood regime, destroying crops and disrupting fishing for decades. These effects persist to this day, demonstrating that the social impacts of dams extend far beyond the construction period.

Recent risk assessments indicate that social

conflicts and environmental impacts associated with the project could represent potential losses of approximately \$1.3 billion, demonstrating that the absence of social safeguards also constitutes a direct economic risk.<sup>6</sup> Testimonies gathered by civil society organizations from over two hundred residents also point to a high level of distrust, associated with the perception of insufficient consultations, lack of dissemination of documents, and fears of displacement without effective restoration of livelihoods.

## A call for dialogue before the financial close

Mphanda Nkuwa is at a crucial stage, prior to the final consolidation of funding, where the institutional and social structure of the project can still be shaped. International experience demonstrates that conflict prevention in large projects depends on the prior existence of participatory and inclusive processes, full disclosure of impact studies, independent monitoring mechanisms, and effective complaint resolution systems.

The absence of these conditions tends to transfer social costs to the State and to the communities, generating local instability, operational delays, and increased financial costs for the project itself. In this specific case, the presence of multilateral funders and companies subject to international legal obligations regarding human rights due diligence reinforces the need for strict compliance with international standards before the final investment decision is made.

Therefore, it is essential that the Government of Mozambique and investors initiate a structured dialogue with civil society and potentially affected communities before financial closure. Effective participation should be treated as a central component of project viability and not

as an administrative step.

As Mphanda Nkuwa progresses from the preparation phase to the execution phase, this is the critical moment to ensure:

- Transparent and participatory resettlement planning.
- Independent social and environmental monitoring.
- Accessible and effective complaint mechanisms.
- Full disclosure of impact studies and mitigation plans.
- Compliance with international human rights standards.

This project cannot become another case of growth without development. Mozambique needs energy, but not at the expense of justice, dignity, and social stability.

The success of Mphanda Nkuwa will not be determined solely by the 1,500 MW generated, but by demonstrating that the country can develop strategic infrastructure without repeating historical cycles of abuse, human rights violations, and social conflict.

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<sup>6</sup> Environmental Justice (JA!), CCFD-Terre Solidaire, & European Center for Constitutional and Human Rights (ECCHR). (2025). Without our land and our river, we will starve: Unmasking green colonialism in the EDF, Sumitomo and TotalEnergies hydroelectric dam project in Mozambique. <https://stopmozgas.org/ja-blog-en/press-release-mphanda-nkuwa-dam-project-in-mozambique-green-colonialism-threatening-communities-and-the-zambezi-river/>



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