

October 28, 2020

The Honorable Minister Ivete Joaquim Maibase  
Ministra da Terra e Ambiente  
Rua de Kassuende, 167  
Maputo, Mozambique

Dear Madam:

The U.S. International Development Finance Corporation (DFC) is proposing to issue financing to the Central Térmica de Temane (CTT) Project to support the development and operation of a 420 MW combined cycle gas-fired power plant near the Sasol Temane/Pande gas wellfield and a 25 km transmission line to Vilanculos town, Inhambane Province, Mozambique. The CTT Project will supply power to a new Vilanculos substation being developed as part of the ~563 km 400 kV Temane Transmission Project (TTP) connecting Vilanculos to Maputo. The TTP is supported by multiple development finance institutions including a World Bank International Development Association (IDA) loan. Together, the CTT and TTP comprise the Temane Regional Energy Project, an integral part of the National Energy Strategy. The Project is expected to provide stabilization to the power system as well as generate power, which is much needed in the heavy load centers in the south.

Due to the remote location of the plant site, the Project developer will import heavy equipment and components via marine transshipment to the Port of Beira. The equipment will be unloaded onto barges that will travel south to a temporary beach landing site at Inhassoro town. The beach landing site is in close proximity to the Bazaruto National Archipelago, an important area for marine biodiversity. The equipment will be transferred by truck from the Inhassoro beach landing to the plant site including potential reinforcement of a Gozuro River crossing.

DFC is an agency of the United States Government with a mandate to encourage and support U.S. private sector investments in developing countries and emerging economies. All DFC-supported projects must be economically and environmentally sound. DFC is required by U.S. law to notify appropriate governmental authorities of investments under consideration for DFC assistance that have the potential to pose significant consequences for the environment.

DFC also is required by U.S. law to provide your government with information about standards and guidelines that have been developed by international organizations and by federal environmental regulatory authorities of the United States that are applicable to such investments. DFC applies guidelines and standards established by the World Bank Group and other similar international organizations. The web site links to these relevant guidelines are attached to this letter.

According to the documentation submitted by the Project developer, the major environmental issues associated with the Project include the need for appropriate health and safety measures and a robust environmental and social management system for day-to-day aspects of construction and operations.



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Finance Corporation

Our analysis confirms that the CTT Project has been designed to minimize social and environmental impacts. The Project developer will use internationally accepted environmental management practices to mitigate potential impacts to acceptable levels. Based on information provided by the Project developer, the Project does not appear to pose significant hazards to the environment, public health, or safety.

We understand, of course, that the CTT Project will also be subject to the laws of Mozambique regarding protection of the environment, public health, and safety.

If you have any questions about DFC's environmental and social assessment of this project, you may contact Mary Boomgard, Managing Director, Environmental Risk Analysis Group, at the above address or at [Mary.Boomgard@dfc.gov](mailto:Mary.Boomgard@dfc.gov).

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Claire F. Avett'. The signature is fluid and cursive, with a large initial 'C' and 'A'.

Claire F. Avett  
Vice President, Office of Development Policy  
U.S. International Development Finance Corporation

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### **Applicable U.S. and International Standards and Guidelines**

- (1) The International Finance Corporation's 2012 Performance Standards on Environmental and Social Sustainability:  
[http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC\\_Performance\\_Standards.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES)
- (2) The International Finance Corporation's Environmental, Health, and Safety General Guidelines (April 30, 2007):  
<http://www.ifc.org/wps/wcm/connect/554e8d80488658e4b76af76a6515bb18/Final%2B-%2BGeneral%2BEHS%2BGuidelines.pdf?MOD=AJPERES>
- (3) The International Finance Corporation's Environmental, Health, and Safety Guidelines for Thermal Power Plants (December 19, 2008):  
[https://www.ifc.org/wps/wcm/connect/f82a5f06-f3f7-4033-8ea6-b767523cda8e/FINAL\\_Thermal%2BPower.pdf?MOD=AJPERES&CVID=jqeD9Eg&id=1323162579734](https://www.ifc.org/wps/wcm/connect/f82a5f06-f3f7-4033-8ea6-b767523cda8e/FINAL_Thermal%2BPower.pdf?MOD=AJPERES&CVID=jqeD9Eg&id=1323162579734)
- (4) The International Finance Corporation's Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution (April 30, 2007):  
<https://www.ifc.org/wps/wcm/connect/7b65ce6b-129d-4634-99dc-12f85c0674b3/Final%2B-%2BElectric%2BTransmission%2Band%2BDistribution.pdf?MOD=AJPERES&CVID=jqeI4Rs&id=1323162154847>
- (5) U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES): <https://www.epa.gov/npdes>
- (6) The Endangered Species Act: <https://www.epa.gov/laws-regulations/summary-endangered-species-act>
- (7) The Clean Air Act: <https://www.epa.gov/laws-regulations/summary-clean-air-act>