

O ECONÓMICO (MOÇAMBIQUE) · MOZAMBIQUE

Mozambique faces \$11bn annual development funding gap

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Mozambique requires approximately US\$11 billion per year to meet its Sustainable Development Goals and African Union Agenda 2063 commitments, according to the African Development Bank — a structural financing shortfall that directly constrains the country's capacity to build infrastructure and attract long-term private investment. Of that total, infrastructure alone accounts for a deficit of US\$6.2 billion annually, underscoring the scale of the gap between development ambition and available capital.

The AfDB has identified a combination of fiscal constraints, elevated sovereign debt servicing costs, and weak mechanisms for mobilising long-term private capital as the primary obstacles. Public financial management reforms and a broader restructuring of the country's financing architecture are identified as prerequisites before external private capital can be deployed at the volumes required. Without those reforms, Mozambique risks remaining locked in a cycle where project pipelines exist on paper but cannot attract bankable financing structures.

For the energy and extractives sector — where Mozambique holds some of the largest gas reserves on the African continent — the financing environment has direct operational implications. Major LNG developments have faced repeated delays tied to security conditions in Cabo Delgado and project-level financing complexity, and the AfDB's assessment signals that the macroeconomic scaffolding supporting those projects remains fragile. Agriculture and economic diversification are also cited as priority investment areas, but infrastructure deficits — including power, transport

and logistics — remain the most immediate constraint on project execution across all sectors.

The AfDB report does not announce a specific financing instrument, contract award, or capital commitment. It represents a diagnostic assessment of structural needs, making this a monitoring situation rather than an immediate procurement or tendering opportunity. However, it does establish a clear institutional signal: multilateral lenders and development finance institutions are actively mapping Mozambique's financing architecture, which typically precedes more concrete facility design, blended finance structures, and eventually project-level procurement processes. Norwegian service companies with existing relationships in Mozambique — particularly those supporting LNG construction, offshore logistics, or subsea infrastructure — should track how AfDB engagement translates into specific facility commitments over the coming quarters.

Why this matters to partners and clients of Saga

This is a macro-level diagnostic report, not a contract or tender, so immediate procurement outreach is not warranted. Norwegian service companies should monitor AfDB and development finance institution activity in Mozambique closely, as multilateral financing assessments of this kind typically precede blended finance structures and project-level tenders — particularly relevant for LNG and offshore infrastructure segments. Relationship-building with AfDB's private sector window and with Mozambican counterparts on financing reform timelines is the appropriate near-term posture.

PARTNER ANGLES

- **LNG:** Mozambique's chronic infrastructure financing deficit directly affects LNG project execution timelines; Norwegian LNG contractors should monitor AfDB facility development that could unlock stalled upstream and midstream works.
- **Subsea/FPSO:** As multilateral financing architecture matures, offshore infrastructure procurement in Mozambique may re-accelerate; early positioning with development finance intermediaries adds pipeline visibility.

- **Pipeline:** A US\$6.2bn annual infrastructure deficit implies significant unmet demand for gas transmission and utilities pipeline works once financing instruments are structured.
- **Drilling:** Macro financing constraints have historically suppressed exploration drilling activity in Mozambique; an AfDB-backed stabilisation of the investment climate could re-open the drilling programme.
- **Service:** Norwegian well services and logistics firms already active in the region should track AfDB reform milestones as leading indicators of project reactivation and subcontractor demand.

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