



III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

Investment Prospectus – Extension of National ICT Broadband Backbone (NICTBB) to Mozambique

PROJECT SUMMARY

| | |
|--------------------------|--|
| Project Name | Extension of National ICT Broadband Backbone (NICTBB) to Mozambique by construction of optical fibre cable and point of presences (PoPs) |
| Location | Cross-border: Tanzania (Mangaka – Mtambaswala/Unity Bridge) into Mozambique (Ruvuma River crossing) Cross-border digital infrastructure linking Tanzania National ICT Broadband Backbone (NICTBB) to Mozambique via Mangaka-Mtambaswala Unity Bridge across Ruvuma River requiring bilateral coordination and harmonized ICT regulatory frameworks for cross-border connectivity between SADC and EAC regions |
| Sector | ICT |
| Sub-Sector | Terrestrial Connectivity Infrastructure Terrestrial broadband connectivity infrastructure establishing cross-border optical fibre backbone extension with Points of Presence (PoPs) for regional integration between Tanzania and Mozambique |
| Development Stage | S2A – Feasibility Studies to be conducted on the Mozambique segment S3B – Infrastructure completed on Tanzanian side; operational handover pending bilateral service agreements Asymmetric development stage with Tanzania segment completed (S3B infrastructure operational) and Mozambique segment requiring feasibility studies (S2A) for PoPs deployment and backbone integration, bilateral service agreements pending for operational handover |
| Project Sponsor | SADC / Ministry of ICT- Mozambique and Ministry of ICT Tanzania Cross-border sponsorship coordinated through |

| | |
|--|---|
| | SADC regional framework with bilateral support from Ministries of ICT in Tanzania and Mozambique for national implementation and regulatory harmonization |
| Project Cost | USD 60 million Total investment of USD 60 million covering Mozambique segment PoPs deployment, backbone integration, and cross-border connectivity infrastructure (Tanzania segment already completed through national budget allocation) |
| Funding Requirement | Project preparation and Mozambique-side rollout require additional funding. Tanzania phase completed through national budget allocation. Mozambique requires financing for PoPs and backbone integration. Funding requirement focused on Mozambique segment including project preparation grant (USD 1.5 million) and PoPs/backbone integration financing, with Tanzania phase already completed through national budget allocation |
| Project Preparation total cost | USD 60 million depending on project structuring Total project structuring cost of USD 60 million for Mozambique segment deployment pending feasibility studies and financial structuring |
| Project Preparation funding gap | USD 1.5 Million Project preparation funding gap of USD 1.5 million to advance feasibility studies and Environmental and Social Impact Assessment (ESIA) for Mozambique segment |
| Financing Structure | Public Sector Financing from National Budget allocation Concessional loan or grant Public-Private Partnership (PPP) Blended financing approach with Tanzania segment financed through 100% government budget allocation, Mozambique segment expected to utilize blended financing combining concessional loans or grants through development finance institutions and Public-Private Partnership (PPP) frameworks |

FINANCIAL OVERVIEW

| | |
|---------------------------|--|
| Total Project Cost | USD 60 Million Investment for Mozambique segment PoPs deployment and backbone integration to connect with completed Tanzania NICTBB infrastructure (72 km cross-border fibre link) |
| Capital Structure | Tanzania: 100% government budget. Mozambique: Expected blended financing (DFIs, PPPs). Asymmetric capital structure with Tanzania segment financed through 100% government budget allocation (completed), Mozambique segment requiring blended financing combining development finance institutions support (AfDB, World Bank, EU-DIF, |

| | |
|-----------------------------|--|
| | NEPAD-IPPF) and Public-Private Partnership frameworks with private sector ISPs participation |
| Development Timeline | Tanzania segment completed. Completion of Mozambique feasibility studies – 2026 Full Project Structuring – 2027 Construction of Mozambique segment – 2028 Operational - 2029 Phased development timeline with Tanzania segment completed (2021), Mozambique feasibility studies and ESIA completion in 2026, full project structuring in 2027, construction of Mozambique segment (PoPs and backbone integration) in 2028, and operational handover in 2029 pending bilateral service agreements |
| Market Demand | Rising demand for broadband connectivity in Mozambique (national penetration remains <25%). Mozambique gains access to diversified routes beyond South Africa, reducing single-point dependency. Demand from ISPs, mobile operators, government institutions, and financial sector for redundancy and cost reduction. Strong market drivers including rising broadband connectivity demand in Mozambique with national penetration below 25%, strategic route diversification beyond South Africa reducing single-point dependency, growing demand from ISPs, mobile network operators, government institutions and financial sector for redundancy and cost reduction |
| Financial Metrics | Feasibility studies for Mozambique segment pending. Financial performance indicators to be determined through feasibility studies for Mozambique segment with expected commercial viability metrics (IRR, payback period, DSCR) following international ICT infrastructure investment standards |
| Revenue Model | Lease of international capacity to ISPs/MNOs. Cross-border wholesale agreements with Mozambican operators. Potential government service contracts (education, health, e-government). Revenue generation through lease of international capacity to internet service providers and mobile network operators, cross-border wholesale bandwidth agreements with Mozambican telecommunications operators, government anchor tenancy for public services (education, health, e-government), and open-access policy framework |

SUSTAINABILITY AND IMPACT

| | |
|----------------------|---|
| Social Impact | Job creation during rollout and PoP establishment. Affordable broadband improves education, healthcare, and SME competitiveness. Project aligned with SADC Gender Policy Rural–urban connectivity improvements for underserved communities. Comprehensive social impact |
|----------------------|---|

| | |
|--------------------------------------|--|
| | including jobcreation during Mozambique segment rollout and PoPs establishment, affordable broadband access improving education, healthcare and SME competitiveness, alignment with SADC Gender Policy for inclusive digital access, rural-urban connectivity improvements for underserved communities, stimulation of local ICT ecosystems |
| Environmental Impact | Minimal impact (fibre deployment along existing transport corridors). Compliance with regional environmental regulations; ESIA pending for Mozambique. Environmental and Social Impact Assessment (ESIA) pending for Mozambique segment with minimal environmental impact through fibre deployment along existing transport corridors, compliance with regional SADC environmental regulations and international safeguards frameworks supporting sustainable digital infrastructure development |
| Strategic Importance | Promotes regional integration between SADC and EAC. Supports Agenda 2063 goals: world-class infrastructure, regional integration, and youth empowerment Facilitates trade, investment, and digital services between Tanzania and Mozambique. Critical strategic importance for SADC-EAC regional integration through enhanced cross-border digital connectivity, support for African Union Agenda 2063 goals (world-class infrastructure, regional integration, youth empowerment), facilitation of trade, investment and digital services between Tanzania and Mozambique, reduced dependence on South African routes strengthening regional ICT resilience |
| SDG and Agenda 2063 Alignment | SDG 9: Industry, Innovation, and Infrastructure. SDG 17: Partnerships for the Goals. Agenda 2063 Goal 10: World-class infrastructure across Africa. Strong alignment with Sustainable Development Goal 9 (Industry, Innovation, and Infrastructure), SDG 17 (Partnerships for the Goals), African Union Agenda 2063 Aspiration 2 (integrated continent) and Goal 10 (world-class infrastructure across Africa), SADC Regional Indicative Strategic Development Plan (RISDP) digital connectivity objectives, and PIDA PAP II cross-border ICT infrastructure priorities |

| TECHNICAL DETAILS | |
|----------------------------|--|
| Project Description | The project extend the National ICT Broadband Backbone (NICTBB) from Tanzania into Mozambique via Mangaka – Mtambaswala Unity Bridge, crossing the Ruvuma River. There will be an installation of optical fibre backbone with modern transmission systems, supported by multiple Points of Presence (PoPs). The capacity of the project is a 72 km |

| | |
|--|---|
| | cross-border fibre link already completed on the Tanzania segment; Mozambique PoPs will scale broadband reach nationally. Cross-border digital infrastructure extending Tanzania National ICT Broadband Backbone (NICTBB) into Mozambique via Mangaka-Mtambaswala Unity Bridge across Ruvuma River, featuring 72 km cross-border fibre link already completed on Tanzania segment, deployment of optical fibre backbone with modern transmission systems and multiple Points of Presence (PoPs) on Mozambique segment to scale national broadband reach and enable regional integration |
| Technology & Design | Optical fibre backbone with modern transmission systems. PoPs to support regional ISPs and government services. Advanced technical specifications including terrestrial optical fibre backbone with modern transmission systems, carrier-neutral Points of Presence (PoPs) to support regional internet service providers and government services, modular and scalable architecture, compliance with international ICT standards and cybersecurity requirements supporting open-access framework |
| Capacity/Size | 72 km cross-border fibre link completed; Mozambique PoPs to be scaled. Infrastructure capacity including 72 km cross-border fibre link completed on Tanzania segment (operational since 2021), Mozambique segment PoPs deployment and backbone integration to be scaled during feasibility studies with modular design to meet growing national broadband demand |
| Construction/Preparation Timeline | Completed phase: 2021 (Tanzania). Mozambique PoPs: To commence upon financing. Phased construction timeline with Tanzania segment completed in 2021 (infrastructure operational), Mozambique segment PoPs deployment and backbone integration to commence upon financing mobilization following feasibility studies completion (2026), construction (2028), and operational handover (2029) |
| Offtake Agreements | Governments to guarantee open-access policy; discussions ongoing with regional ISPs and carriers Comprehensive offtake structure including government guarantee of open-access policy framework, ongoing discussions with regional internet service providers and telecommunications carriers for long-term capacity agreements, cross-border wholesale bandwidth arrangements between Tanzania and Mozambique operators supporting sustainable revenue generation |

RISK MANAGEMENT

| | |
|--|--|
| Risk Assessment | Regulatory: Pending bilateral agreements for service and cost-sharing. Financial: Mozambique's ability to finance its PoP rollout. Operational: Maintenance responsibilities across the border. Comprehensive risk management including regulatory risk mitigation through pending bilateral agreements for service provision and cost-sharing frameworks between Tanzania and Mozambique, financial risk mitigation addressing Mozambique's capacity to finance PoPs rollout through structured DFI engagement and blended finance instruments, operational risk mitigation through clear cross-border maintenance responsibilities and regional governance framework |
| Regulatory Risks | Engagement of NEPAD-IPPF for project preparation. Regional regulatory harmonization under SADC Regulatory harmonization challenges addressed through NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) engagement for project preparation, SADC regional regulatory framework coordination for ICT policy harmonization, bilateral ICT regulatory alignment between Tanzania and Mozambique telecommunications authorities for cross-border service agreements |
| Environmental and Social Safeguards | Environmental and Social Impact Assessment (ESIA) is strictly adhered to Environmental and Social Impact Assessment (ESIA) to be strictly adhered to for Mozambique segment prior to construction addressing compliance with SADC environmental regulations, international safeguards frameworks, community engagement requirements, and sustainable digital infrastructure development standards |

| KEY STAKEHOLDERS | |
|------------------------------------|---|
| Sponsors | Ministries of ICT (Tanzania, Mozambique) Bilateral sponsorship through Ministries of Information and Communication Technology in Tanzania and Mozambique with SADC regional coordination framework for cross-border implementation and regulatory harmonization |
| Investors | AfDB, World Bank, EU-DIF, NEPAD-IPPF, private ISPs. Diversified investor base including multilateral development banks (African Development Bank, World Bank), specialized digital infrastructure funds (EU-DIF, NEPAD Infrastructure Project Preparation Facility), private internet service providers, bilateral development finance institutions, and private sector telecommunications operators for Mozambique segment financing |
| Contractors & Operators | To be selected via international tender. Technical and operational partners to be identified through international |

| | |
|-------------------------------------|--|
| | competitive tendering process following completion of Mozambique feasibility studies with expected involvement of local ICT service providers in operation and maintenance supported by capacity building programs |
| Legal and Financial Advisors | To be appointed for Mail and Mauritania through competitive processes Professional advisory services to be engaged through competitive processes to support bilateral contractual structuring, cross-border regulatory compliance, financing negotiations, and transaction advisory for Mozambique segment development |

| WAY FORWARD | |
|--------------------------------|---|
| Investment Ask | Funding required for Mozambique segment PoPs and backbone integration. Project preparation grant from NEPAD-IPPF under discussion. Investment requirement for Mozambique segment PoPs deployment and backbone integration including USD 1.5 million project preparation grant from NEPAD Infrastructure Project Preparation Facility (under discussion) and full CAPEX financing for infrastructure development |
| Next Steps | Finalization of Mozambique feasibility studies & ESIA. Mobilization of DFIs and private partners for financing Strategic implementation pathway including finalization of Mozambique feasibility studies and Environmental and Social Impact Assessment (ESIA) in 2026, mobilization of development finance institutions and private partners for blended financing, negotiation of bilateral service agreements between Tanzania and Mozambique, legal and financial structuring for S2A stage progression |
| Implementation Timeline | 2026-2029 Systematic implementation timeline with Mozambique feasibility studies and ESIA completion in 2026, full project structuring in 2027, construction of Mozambique segment (PoPs and backbone integration) in 2028, and operational handover in 2029 following established project development methodology for cross-border digital infrastructure |
| Contact Information | AUDA-NEPAD (Digitalisation Unit) bernardc@auda-nepad.org / christelleo@auda-nepad.org |