

# Supporting Climate Policy and Energy Transition in Mozambique (PCTE)

## Strengthening Climate and Energy Governance for a Sustainable, Resilient, and Low-Emission Development Pathway

### Context

Mozambique is one of the most vulnerable countries to climate change while contributing only a marginal share to global greenhouse gas emissions (GHG). Increasing climate-related hazards intensify existing socio-economic pressures and underscore the need for more resilient and sustainable development pathways. At the same time, the country's considerable renewable energy potential offers a strategic opportunity to advance an inclusive energy transition and support long-term socio-economic development. Climate impacts are most severe in the agriculture, transport, infrastructure, and energy sectors, which are the country's central economic sectors.

Mozambique is taking steps to address climate impacts through national policy frameworks such as the National Climate Change Adaptation and Mitigation Strategy (2013–2025), the updated Nationally Determined Contributions (NDCs, 2020–2025) and the Provisional NDC 3.0 (2025) which provide the overarching direction for climate action. In parallel, Mozambique is advancing with the implementation of its Energy Transition Strategy (2023–2050), emphasising renewable energy expansion and power-sector modernisation in line with GHG mitigation potentials. At sub-national level, the government is pursuing a decentralised approach to climate adaptation, prioritising the development of Local Adaptation Plans that serve as key inputs to the National Adaptation Plan (2023).

Despite this progress, significant constraints continue to limit the effectiveness of climate action. Fragmented institutional coordination, limited technical capacity for policy development, and persistent challenges in mobilising climate finance hinder the achievement of national climate and energy targets. While Mozambique has demonstrated strong engagement in advancing its climate and energy agenda, the alignment between national plans, sectoral plans and policies remain insufficient, and require improvement to keep expectations consistent with capability for an ambitious but realistic approach to development.

In response to these challenges, the **Supporting Climate Policy and Energy Transition in Mozambique (PCTE)** project, aims to improve coordination between climate and energy actors, build implementation capacity in government and the private sector, and expand energy access through private investment and business development.

PCTE is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

<b>Project title</b>	Supporting Climate Policy and Energy Transition in Mozambique (PCTE)
<b>Country</b>	Mozambique
<b>Commissioned by</b>	German Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Lead executing agencies</b>	Ministry of Agriculture, Environment and Fisheries ( <i>Ministério de Agricultura, Ambiente e Pescas, MAAP</i> ) Ministry of Mineral Resources and Energy ( <i>Ministério de Recursos Minerais e Energia, MIREME</i> )
<b>Overall term</b>	10/2023 – 09/2027
<b>Budget</b>	12.5 Mio EUR

### Objective

The objective of the PCTE programme is to strengthen the capacities of public and private actors in Mozambique to effectively implement the country's ambitious climate commitments and advance its energy transition. The programme covers both mitigation and adaptation components to climate change. Under **mitigation**, it supports the preparation and implementation of NDC 3.0 and the operationalisation of the Energy Transition Strategy. At the same time the programme supports the private sector in scaling up off-grid energy access solutions such as solar home systems and clean cooking, especially for rural and underserved communities. On the **adaptation** side, it strengthens the structural conditions for developing Local Adaptation Plans and improves the financing conditions for implementing identified measures through the dedicated *Fundo ProClima* fund, following an inclusive, community-focused approach.

All interventions promote inclusive, gender-responsive and climate-resilient development in line with national priorities. On a regional scale, the programme promotes inter-African cooperation and knowledge exchange to harmonise climate and energy policies approaches and strengthen regional networks.

## Approach

PCTE applies a multi-level and multi-actor approach, supporting key public and private actors in Mozambique to improve their planning and implementation of ambitious climate and energy policies. It builds on close cooperation with government institutions, the private sector, academia and civil society to ensure diverse perspectives contribute to the development of evidence-based policies.

The project is structured around four key areas of intervention, designed to link national climate governance with local implementation and private-sector investment.

- 1. Climate Governance and Dialogue:** This component supports the *Ministry of Agriculture, Environment and Fisheries (MAAP)* in leading the preparation and implementation of NDC 3.0 across key sectors. It strengthens interministerial coordination, promotes the use of climate and energy data, and applies digital tools for climate analysis and scenario development to inform risk-informed decision-making. It also provides an investment perspective on climate finance and mitigation, supports the alignment of national and sector strategies, and facilitates the organisation of exchange dialogue formats to foster stakeholder engagement and inclusive policy development over the whole-of-society.
- 2. Adaptation and Finance:** This component supports MAAP in developing a national Local Adaptation Plan (LAP) standard that promotes ecosystem- and nature-based approaches while systematically integrating gender equality and social inclusion. It strengthens LAPs as a central instrument for climate adaptation. The component also supports the piloting of the *ProClima* fund, implemented by the *Fundação para o Desenvolvimento da Comunidade (FDC)* and supported by GIZ. Fundo ProClima provides grants for public adaptation and co-grants for business adaptation all aligned with LAP priorities.
- 3. Energy Transition and Regulation:** Together with the *Ministry of Mineral Resources and Energy (MIREME)*, the project translates the Energy Transition Strategy (ETS) into prioritised work packages with clear roles, responsibilities, and monitoring arrangements. It strengthens coordination structures through the operationalisation of an Energy Transition Secretariat and builds a solid basis for long-term energy planning through targeted training and capacity development.

The component also supports the implementation of key ETS pillars, including renewable energy expansion, regional power trade, and clean cooking, using the resulting experience to inform both ETS and NDC 3.0 implementation.

- 4. Private Sector Development in Energy Access:** The project supports the *Fundo de Energia (FUNAE)* and the *Autoridade Reguladora de Energia (ARENE)* in their roles as managers and regulators of results-based financing schemes and provides companies with training, coaching, and advisory services on business models, market development, gender-responsive approaches, and reporting. By strengthening private-sector capacities, the project enables the delivery and dissemination of demand-oriented, climate-friendly, and gender-sensitive off-grid electricity and clean cooking solutions, including solar home systems and clean cooking technologies in rural areas. This contributes to market growth, sustainability and the implementation of national energy strategies.

The project is implemented jointly with partners and pilots experiences in mitigation, adaptation, energy transition, and energy access, systematically documenting them to inform national strategies and programmes, with a strong focus on gender equality, inclusion, and the needs of vulnerable groups.



**Top:** Mountainous landscape in northern Mozambique after heavy precipitation with flooded roads.

**Bottom:** Bird's eye view of a village during the rainy season.

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