

South Africa and Mozambique

Cahora Bassa

A. Background to the Cahora Bassa Project.

1. Following negotiations during the nineteen sixties an Agreement was signed by Portugal and South Africa on 19 September 1969 in terms of which the two countries undertook to co-operate regarding the construction and operation of the Cahora Bassa Project.
2. The Project consists of the conservation dam in the Zambezi River, a hydro-electric power station operated by water from the dam, two 533 kV DC transmission lines and the Apollo Distribution Station near Pretoria.
3. On the same date Escom entered into a supply contract with the Portuguese Government which had the right to establish a supply company — HCB was later established for this purpose.
4. Both parts of the Project, in South Africa and in Mozambique, were constructed by ZAMCO, an international consortium of companies from South Africa, Italy, France and West Germany. Except for minor technical matters the construction was completed and the whole Project taken into commercial service during 1977.
5. During the same year it was agreed that the tariff of 0,3 cent of a Rand per kWh negotiated in 1969 would be increased to 0,5 cent of a Rand per kWh for firm power. This increase was mainly as a result of higher construction costs than those originally foreseen
6. A period of satisfactory operation followed by developments internally in Mozambique caused the Agreement and the supply contract to be suspended from December 1980. Thereafter Escom received some power on an intermittent basis but the supply was not reliable.

7. The Accord of Nkomati was followed by negotiations on a trilateral basis between South Africa, Portugal and Mozambique in regard to the Cahora Bassa Project. These led to the conclusion of a new Agreement between the three countries and a new supply contract between Escom and HCB.

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