

EU loan for Cahora Bassa

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BRUSSELS — The European Union has announced a R160m loan for a project to reconnect the power lines from the Cahora Bassa project to SA.

The loan is being provided by the Luxembourg-based European Investment Bank — the EU's long-term financial institution.

The project is also being aided by the governments of SA, Portugal and France.

The Cahora Bassa hydroelectric plant was constructed on the Zambezi River in 1975 and is one of the largest schemes of its type in the world.

It is capable of transmitting electricity along 1 400km of power lines to SA.

However, the political unrest in Mozambique led to repeated acts of sabotage against the lines in the 1980s and the power supply was halted.

The EU's aid to the project comes under the Lome Convention — the trade and aid accord linking the EU with 70 developing nations.