Early Warning System

EIB-20210095

MADAGASCAR ELECTRIFICATION PROGRAMME

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Quick Facts

Countries	Madagascar
Financial Institutions	European Investment Bank (EIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-12-22
Borrower	WE LIGHT MADAGASCAR SA
Sectors	Climate and Environment, Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.60 million

Project Description

According to the EIB, the project will finance minigrids in Madagascar to households, business and other infrastructure facilities without access to reliable electricity supply. The electrification programme will generate a significant social, development and environmental impact, while providing a sustainable and reliable supply to un-served or under-served local communities that are currently relying on polluting and expensive fossil fuels.

The project aims at providing access to clean and affordable energy for households and enterprises in Madagascar by financing the development and construction of about 145 small PV-hybrid mini-grids. The mini-grids with a total PV capacity of 3.2 MWp are expected to directly benefit about 38,000 households and SMEs, providing initial electrification or substituting polluting and more expensive diesel-generated electricity supply.

Investment Description

- European Investment Bank (EIB)

WeLight Madagascar's access to energy initiative (a €28 million project) will receive €19 million in financing from the EIB, Triodos Investment Management and EDFI ElectriFI — the EU-funded Electrification Financing Initiative.
WeLight existing shareholders (Axian Group, Norfund, and Sagemcom) will cumulatively bring the remaining €9 million in the form of shareholder loans.

Private Actor Relationship

Axian Group, Sagemcom, and Norfund jointly invested to start WeLight-Africa, and they are currently its main shareholders.

Private Actors Description

According to the company's website, WeLight is a rural electrification operator that identifies, designs, deploys and operates solar and hydro mini-grids in rural areas. To date, WeLight successfully operates 40 villages in Madagascar and Mali. In Madagascar, WeLight has deployed 35 villages in 6 regions in 3 years, representing more than 6,000 homes and businesses connected to 24/7 electricity for 30,000 direct beneficiaries. In Mali, WeLight launched its activities in 2021 with the installation of 5 solar mini-grids and is already serving more than 300 households in the country, for a total of more than 1,800 direct beneficiaries.
WeLight’s ambition is to replicate this approach in over 200 new sites by 2023.

WeLight was born out of the desire of three leading economic players, with an established track-record in Africa, to join forces to accelerate rural electrification on the continent. These three major shareholders are:

Axian Group - a diversified group present in five business areas with strong growth potential: telecommunications, financial services, energy, innovation, and real estate. With more than 4900 employees in the Indian Ocean and Africa, Axian is a partner in the economic transformation of emerging countries. It is a member of the United Nations Global Compact Initiative.

Norfund - Norway's sovereign development bank manages US$ 2.6 billion AUM in developing countries. It supports the creation of sustainable businesses in emerging markets, in particular by improving access to reliable electricity.

Sagemcom - a European group that specializes in network equipment with a unique expertise in installing mini grids and smart metering solutions in over 20 countries in Sub-Saharan Africa.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Axian Group	Investor	-
-	-	-	-	Norfund	Investor	-
-	-	-	-	Sagemcom Broadband SAS	Investor	-
-	-	-	-	WeLight-Africa	Client	Energy

Contact Information

EIB's Regional Representation for Southern Africa and the Indian Ocean:

5 Greenpark Estates
27 George Storrar Drive
Groenkloof 0181 Pretoria (Tshwane)
South Africa

Telephone: +27 124250460
Fax: +27 124250470
Email: pretoria@eib.org

WeLight-Africa:

Address in Madagascar: Bâtiment Ariane 5B, Zone Galaxy, Andraharo, Antananarivo
Email: contact@welight-africa.com
Phone number for Madagascar: +261348100004

Axian Group Headquarters:

Address: Siège Axian Group Kube D, Zone Galaxy, Andraharo, Antananarivo - Madagascar BP 12007
Phone number: +261 20 22 368 68
Email: contact@axian-group.com

Norfund Head Office:

Address: Fridtjof Nansens plass 4, N-0160 Oslo, Norway
Phone: +47 22 01 93 93
E-mail: post@norfund.no

Sagemcom Headquarters:

Address: 250 route de l'Empereur, 92848 Rueil-Malmaison Cedex, France
Email: contact@sagemcom.com
Phone: +(33) 1 57 61 10 00

Project contacts not available at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.eib.org/en/infocentre/registers/request-form/request-form-default.htm

ACCOUNTABILITY MECHANISM OF EIB

The EIB Complaints Mechanism is designed to facilitate and handle complaints against the EIB by individuals, organizations or corporations affected by EIB activities. When exercising the right to lodge a complaint against the EIB, any member of the public has access to a two-tier procedure, one internal - the Complaints Mechanism Office - and one external - the European Ombudsman. A complaint can be lodged via a written communication addressed to the Secretary General of the EIB, via email to the dedicated email address: complaints@eib.org, by completing the online complaint form available at the following address: http://www.eib.org/complaints/form via fax or delivered directly to the EIB Complaints Mechanism Division, any EIB local representation office or any EIB staff. For further details, check:

Bank Documents

- Environmental and Social Data Sheet

Media

- Madagascar: WeLight raises €19 million with EIB, EDFI ElectriFI and Triodos Investment Management to

Other Related Projects

- EIB-20210056 DESIREE INVESTMENT ENVELOPE