

Madagascar solar firm secures funding to connect 50,000 households

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Madagascar's WeLight, an off-grid solar company, has secured €19m to connect 50,000 households to electricity in the next two years, it said on Tuesday, 17 January.



Source: Gallo/Getty

Off-grid solar power, spearheaded by a variety of startups, has gained in popularity in Africa because it can affordably connect millions of homes which are left off mainstream electricity grids to clean power.

WeLight, which allows customers to prepay for their electricity through mobile banking, is targeting the 90% of the Indian Ocean island nation's rural population without access to power, it said.

The project is being financed by the European Investment Bank (EIB), EDFI Electrifi and Triodos Investment Management, WeLight said in a joint statement.

WeLight, which is owned by Madagascar's Axian Group, Norwegian investment fund Norfund and Sagemcon, already provides solar power to 9,000 rural Malagasy households.

It launched five mini-grids in Mali in a test phase in 2021, and it is exploring opportunities in Nigeria and the Democratic Republic of the Congo, the company said.

Madagascar has a population of 29 million.



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Expanding operations

The latest Madagascar expansion, which will cost a total of €27m with the additional funds being provided by the shareholders in loans, will cover 120 new villages.

The new round of financing will help the company to keep expanding its operations, said Maud Watelet, senior investment officer at EDFI, one of the financiers.

"It will unlock the company's potential to deploy more than a hundred mini grids in Madagascar, a market with a significantly low electrification rate and challenging logistic conditions," she said.

WeLight builds small solar power plants, storage units, distribution lines and installs a meter at each customer's premises, offering round the clock electricity, it said.

The beneficiaries, which will also include small businesses, have already been identified through a programme carried out jointly with the ministry of energy, WeLight said.

EIB's involvement in the project signified its commitment to aid the fight against climate change through the provision of clean power to communities in Africa, said Ambroise Fayolle, vice president at the lender.

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