

Madagascar is ready for energy transition.

P 4-5

Rivo Rakotondrasanjy:

Energy panic worldwide...
What about us?

P 6-7

Romy Andrianarisoa Voos:

Let us now translate our commitment
in Glasgow into actions!

P 20-21

Volatiana Rakotondrazafy:

Transforming energy challenges into
industrial and investment opportunities

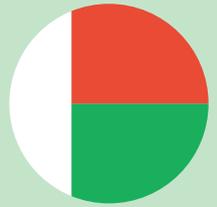


2017-2021 trade data:
Madagascar's long-lasting negative
trade balance (p. 28-29)

Free

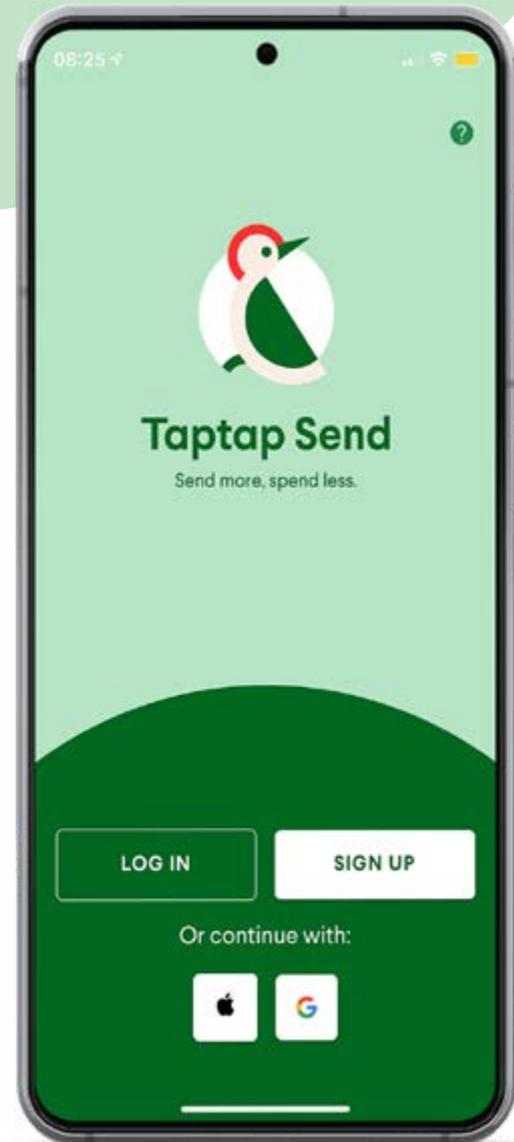


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Contents

- 4 Energy Panic Worldwide ...**
What About Us??
- 6 Romy Andrianarisoa Voos:**
Let us now translate our commitment
in Glasgow into actions!"
- 8 Andry Ramaroson:**
Madagascar is ready
for energy transition
- 10 The Off-Grid Solar Energy Market
in Madagascar -** an investment
opportunity with social impact
- 12 "Energy for all" –**
but what are we waiting for?
- 14 Is Solar power**
Madagascar's energy future?
- 15 MBalik:** 1,400 Solar Home Systems
kits sold monthly
- 16 QMM sustainable mine project:**
Making carbon neutrality a reality
- 18 Energy transition:**
does it make sense for Madagascar?
- 20 Volatiana Rakotondrazafy:**
Transforming energy challenges
into industrial and investment
opportunities
- 24 EDBM : Why invest in
the Energy sector** in Madagascar?
- 26 International trade shows:**
what do we have in store for 2022?
- 28 Trade statistics:**
The United States remains
the second largest destination of
Malagasy products.
- 30 AmCham News**

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Energy Panic Worldwide ... What About Us?



Rivo Rakotondrasanjy,
President of FIVMPAMA

The world, with all its conventional institutions, is now facing an existential challenge. The war in Ukraine is shaking up the established order and changing the geopolitical situation. Food and energy are becoming more than ever the new trump cards in the game of influence and power relations, both in the immediate, short, long and medium terms. What volume of production will be on the market? To whom? For whom? At what price? Under what conditions? When and for how long? Food and energy independence will be the keystone of all development policies from now on, along with the health issue of course.

All the countries of the world – each according to their level of exposure to risks of shortages and their ability to manage these risks – must revise their supply strategies. If Europe is the most exposed with its strong dependence with Russia and Ukraine. Africa and Madagascar, with its arable land, its strategic resources, its energy potential and its young population, must analyze the current events as an opportunity to redefine the roles. Moreover, the continent has already been an eye-catcher, and has been subjected to the diplomatic balance of power of these geopolitical powers ever

since, for these same issues related to food, energy and other strategic resources.

However, in order to face up to and weigh in on this global balance of power, Africa and Madagascar will need a completely different strategy, especially diplomatic, as well as a strong, assertive, common vision. This is not a foregone conclusion, given the disparity in the state of development between its members, despite the existence of some regional concentrations. The search for a development consensus requires a lot of will, and above all, its implementation requires time. A strong African Union requires strong African states. Madagascar, and Africa as a whole, have the necessary and largely sufficient arguments in terms of energy and agriculture to meet the challenge.

It is up to each country to see or review their ambitions, their plan and their development strategy in order to exist as a Country first. Only then can Africa hope for the advent of a community capable of asserting its point of view on the international scene. It is therefore imperative for each of us to work both to establish our own sovereignty and to consolidate our independence before any other regional, continental or planetary common desire. To do this, we need a strong State with

strong institutions and structures to create an environment conducive to development, and an intelligent State capable of collective and inclusive vision to find a sustainable consensus for development.

Madagascar can play a leading role in both agriculture and energy. Its potential in these sectors is no longer up for discussion. However, a distinction must be made between potentiality, reality and exploitation. As a start, to manage these states, findings or diagnoses of our wealth, having a vision of what we want is imperative regarding the “what, how, when, with whom and why”. This is where a developmental State comes into play to phase and plan reflections and actions. Our immediate imperative is to ensure self-sufficiency as a guarantee of our sovereignty in future decisions. Then, to schedule the study and the exploitation of our various resources in an exhaustive way, and to make a trade-off with respect to our development ambitions.

If the importance of the stakes of agriculture and energy remains unchanged, the implementation of the strategy for the development of the agricultural sector is fairly easy, considering that all the related decisions, as well as the mobilization of the necessary resources, can be taken at the level of the Country. On the other hand, to achieve our energy ambitions, the solicitation is broader and more global, in terms of purpose, technology, finance and human resources. Then, the mobilization and negotiation of all this goes far beyond our borders. This implies choices motivated more by diplomatic and geopolitical criteria than by purely technical aspects. This is where the preliminary question of sovereignty is important.

Precisely, what about Madagascar's sovereignty to deal with these eminently strategic and geopolitical issues for its own interests? Free and independent our Country is. But because we still import rice, edible oil, sugar, flour, fuel, medicines, cloth, in short, the most basic needs of our population. And because our exports are not able to meet our needs in foreign currency to buy them. As a result, even the functioning of our administration still depends on external aid. It is therefore difficult to imagine our country imposing its choices on issues that involve and engage the balance of world power. It just makes good sense.

Today, according to the World Bank, only 15 percent of the population has access to electricity, of which 6 percent in rural areas through the network. Firewood and charcoal remain the cooking energy used by almost all households. Transport energy and the energy for the purpose of electricity production remain in the hands of private companies, which thus have not only a considerable financial windfall that makes them hyper-powerful, but also a means of exerting pressure on the State in relation to all strategic issues relating to energy. Either we find a way to make the State stronger and able to engage in an arm wrestle with the oil companies in order to make our points of view known; or we deal with them... At least in the current state of affairs.

It is clear that neither these pressure groups' stakes and ambitions nor their timetable will always correspond to our interests as a Country. The proof of this is the case of the heavy oil of Tsimiroro, which the technical tests have validated to feed the JIRAMA generators; at least according to the official public information available. It is quite possible that other technical or

administrative questions remain before the use of the oil becomes effective. But at this stage of exploitation, with all that has been invested financially and technically, are the remaining obstacles so insurmountable as to deprive ourselves of a real and immediate opportunity to relieve our trade balance?

Without a strong, intelligent and developmental State, our potential for wealth will always remain our first cause of poverty. To break this vicious circle of poverty, let us proceed by what is within our reach as Malagasy first. To equip ourselves with a public power able to compose with the various private interests at stake to serve the general interest. Development is a continuous process which implies intelligent consensus all along its course. It is utopian to hope that the private sector will renounce its interests, nor to conceive that the current situation could last indefinitely. But the State remains in absolute terms the guarantor of the collective good, of the common goods and of the general interest, as well as the protection of the Private sector...

... Finding this mix that provides a stable balance is the tough alchemy of real sustainable development, socially, environmentally and economically.

 By **Rivo Rakotondrasanjy**,
President of FIVMPAMA

Romy Andrianarisoa Voos: Let us now translate our commitment in Glasgow into actions!

In the 13th edition of The American magazine, Romy Andrianarisoa Voos, as a representative of the private sector within the GEM¹, put a stress on the critical role of the private sector in the fight against climate change. Energy transition is a key component of the commitment made by Madagascar last November during COP26. Just to recap, Romy stated that Madagascar would take a made-in-Mada path in its energy transition where fossil energy will not be banned.

How is Madagascar's energy mix going to look like?

The strategy is clear. Madagascar will lean on fossil energy sources and renewables. However, in the absence of the exact data about the reserves of fossil fuel in Madagascar, we are unable to define the ratio and the timeline. Our transition will need significant fundings.

If we look at the fossil and oil industry, a couple of issues must be addressed. Effective revisions of oil and mining contracts are key to ensure Madagascar's competitiveness. Then, securing these investments must be part of the government and all public institutions' vision. A coherent set of policies to structure the energy sector must be adopted, including an appropriate capacity-building policy for Malagasy experts. Madagascar does have a very low number of oil and gas engineers, and importing expertise



Romy Andrianarisoa Voos, Chief Executive Officer of TF261

has become a mandatory stage. The vision that the extractive industry can be a lever for sustainable and inclusive development must be shared by all policymakers. Good governance is then essential. The boom in the energy sector should be felt at the levels of other related industries – food, marine, etc., and at the level of population, the heart of all development policies.

If we look at the renewable energy sector, we are on our way to promote greener energy. We are blessed with 365 days of sunshine. Hydro projects like Sahofika and Volobe are huge but still, securing investments must be made a priority. The deployment time

frame of such big projects must be made clear shortly after signing the agreement.

Why is priority given to solar energy?

First of all, unlike heavy projects such as Sahofika and Volobe, implementing solar energy projects does not require a lot of advanced technologies. Solar energy proved to work immediately. Wind energy could work in Madagascar but also needs huge investments that require a certain level of security. In Glasgow, we talked about hydrogen as well. Unlike in countries such as Australia, Namibia or Germany, hydrogen projects are still at a nascent stage in Madagascar. All these options should be considered in the energy mix. Our energy policy must be as flexible as possible. The majority of our population is based in remote places with no access to electricity. Our potential in solar and renewable energy must be explored as much as possible.

How do laws and regulations support the promotion of investments in the energy sector?

We acknowledge that there are efforts made by the EDBM and the MEDD to secure investments in Madagascar. However, the process remains sadly slow. With the pandemic and the current crisis in Ukraine, we are more than ever aware that Madagascar must be energy independent. However, the criteria to

1. Groupement des Entreprises de Madagascar, where Romy is the President of its Sustainable Development and Business Ethics Commission (DDEA)

promote investments in Madagascar are not met yet. The call for expression of interests in investing in oil blocks in Madagascar must be transparent and competitive. The OMNIS must provide investment incentives.

Madagascar must revise the Mining Code, the Investment Code, and the Petroleum Code. The extractive industry must be exempted from VAT to make the sector more competitive. Madagascar runs out of expertise to implement renewable energy projects.

It is acknowledged that Madagascar was granted a 50-million-dollar funding from the World Bank to finance its climate change adaptation plan conducted by the government through the MEDD. Surprisingly, the operationalization of all those initiatives struggle to kick off, and we really wonder why.

How do the private sector and public institutions collaborate to support Madagascar's energy transition?

All energy projects must be done in a PPP framework. Access to energy is a government priority. The management of our natural resources belongs to the Government. We have a national energy policy, but we do not have the expertise. That is where the private sector intervenes. A very

important point to note is, we must ensure that the fiscal, economic and environmental impacts of those investments benefit the population.

In late 2021, the private sector raised their voice regarding the slow evolution of Sahofika and Volobe. Do you understand where the blockage is?

Despite the lack of expertise in decision-making, the private sector has shown its readiness to invest. Everything is there, the decision belongs to the Ministry. The private sector seeks to understand what the blockage in the implementation of such huge investment opportunities is. The signal that Madagascar sends to investors is that signing an agreement does not necessarily mean a will to take concrete actions. Let us work and translate our commitments in Glasgow into concrete actions. All the tools are here. Now we must move forward.

Do Malagasy companies understand what energy transition is?

First and foremost, Malagasy companies' appropriation of all SDGs is of paramount importance. They must understand what energy transition is; unfortunately, that is not the case yet. They must understand the process of shifting towards the use of greener energy. They must be accompanied

and supported on how to deploy energy projects conveniently.

Simply moving towards the use of solar energy is not what is called energy transition. It is also about the use of a greener production process, an integrated waste management, and the use of machines using green energy. It is a matter of circular economy. We must understand that energy transition is a 360-degree approach that requires strong capacity building. And that is where TF261 intervenes. That is why strategic meetings at the regional level are important.

Your message to the stakeholders in the energy transition?

We have seven years left to reach the SDGs. It is urgent that Madagascar and the Indian Ocean islands set sub-regional blue economy strategies, carbon offset strategies, and turn climate change as business opportunities. If the private sector does not see business opportunities in the energy transition, then its appropriation would be very difficult. "Sustainability" must be a watchword, and that is where the government can provide its support.

 Interview by **Kenny Raharison**

ABOUT TF261

TF261 is a Panafrican expertise agency created in 2016 that provides advice in the execution of sustainable development projects. Its areas of intervention are:

- Energy transition
- Digital transition
- Circular economy

TF261 is planning the first Mining Forum to serve sustainable development in Guinea, and the first

Colloque of Conakry on the access to green financing in 2022.

TF261 collaborates with international partners and experts such as Groupe Impact Capital, Comité 21, Agilités Guinée to help companies in Africa to include SDGs in their development strategies.

This year, TF261 seeks to organize the first **Regional Meetings on Sustainable Development** for the Private Sector in the Indian Ocean in **Antananarivo on November 4-5, 2022**, under Madagascar's leadership.

Andry Ramaroson: Madagascar is ready for energy transition



Andry Ramaroson, Minister of Energy and Hydrocarbons

AmCham's editorial team had the opportunity to speak to the Minister of Energy and Hydrocarbons, Andry Ramaroson, where they could talk about Madagascar's commitment to energy transition. As a reminder, COP26 happened in Glasgow, Scotland in November 2021, a global event that President Rajoelina in person and former Minister of Environment and Sustainable Development Baomihavotse Vahinala Raharinirina attended. Despite a quite large Malagasy delegation, Andry Ramaroson was absent from that highly-expected event. He explains that his presence in Madagascar was essential and that Madagascar was well-represented enough.

Could you tell us briefly where Madagascar stands now in its energy transition which was among the commitments that the country made during COP26?

First of all, I would like to stress that the government conducts its work in accordance with the principle of continuity of the State. So, please let me start with a few statistics first. Our President has the vision to produce a minimum of 800 to 1,000MW by the end of 2023, compared to 450 to 500MW earlier. The electricity that we are using now is mainly generated by fossil fuel-powered energy plants. Now that we are talking more about energy transition, we must define what it is first. To the MEH, it is not the use of solely renewables but the shift towards the use of renewables. By the end of 2023, all the thermal centrals must all be hybrid. Concretely, if we produce 100MW from 100 percent thermal source, by the end of 2023, Madagascar should be able to produce 100MW from thermal source of energy and 100MW from renewable sources of energy, such as hydro, and especially solar because solar energy projects are easier to implement and can be achieved in one presidential term.

We must assess our potential in the energy mix. Sahofika was signed 2021, and it was seen as a key solution to power supply and expensive energy. However, the objectives set by Sahofika cannot be reached in one political term. We must be technically and politically cautious. Following the Andekaleka incident in January, we lost 90MW. While the population complained about longer power cuts, they did not see that it cost Jirama a loss of 50 billion Ariary a month.

Speaking of Sahofika and Volobe, the private sector is highly concerned about the blockage. Could you please explain where we are now with these projects?

First, I am interested to know where the private sector stands in these two projects. Are they seeking to maximize public interest or only their own benefit? I think they are seeking both. That is fair because private investors come with the funds. However, it is less fair to oblige the government to sign an agreement where a more satisfying deal can still be negotiated. At the very beginning, Sahofika could provide electricity for 7 cents per kWh. If we signed the contract at that time, we would have lost 2 to 3 cents per kWh. With better deals, the whole country will be able to enjoy quality and affordable energy. I can understand how impatient the private sector is. But I fail to understand why the private sector focuses on Sahofika and Volobe when other projects such as Ambodiroka, Ranomafana, Antetetzambato are in progress as well. We must consider more parameters. These projects have the potential to boost local economies. I am not blaming the private sector; I am just drawing their attention on these important parameters. I am still wondering what role the private sector does play here.

Cumbersome procedures – both local and international – also delay the implementation of these projects. These million-dollar fundings come from different institutions governed by their own procedures. We must be cautious with regards to these technical aspects. When I took office in 2019, only an MoU was drafted. In 2021, we reached and signed an agreement. That is to say how impressive the progress we made was in only three years. Signing Sahofika was a huge step. However, let us not forget smaller-scale projects involving other actors in the private sector.

Do we have technical skills to handle energy transition projects?

Yes and no. We do have skilled human resources but only at a certain limit. Our engineers and technicians have the needed skills. However, we do not have a culture. In this case, we import expertise to manage huge projects. Smaller projects of 250 or 350 kW are led by Malagasy people. The challenge lies in the leadership, especially when multiple decision-makers are involved at the same time.

Why such focus on solar energy?

Despite a few ongoing projects, we do not really explore wind energy in Madagascar because of our limited potential. As a technician, I am not personally convinced with the exploitation of wind energy in Madagascar. I am not leaning

on wind projects. Hydro and solar are my trumpeted causes. You may wonder why focusing on hydro while the country faces water problems. We do not have water problems; we do have water management problems. These are two different things.

Do investors trust Madagascar?

As a member of the government, I can tell you investors trust the Malagasy government. I am not saying that all is well. We have many challenges still left to overcome. I keep saying investors not to compare their practices in their countries and those in Madagascar where the context is totally different. Even aware of the challenges of doing business in Madagascar, many investors still demonstrate their commitment to working with us. The challenges are real, but are meant to be overcome. It is my responsibility to establish an environment of confidence and trust.

Malagasy companies seem not to know what energy transition really is. What efforts has the Ministry made in this regard?

I acknowledge that we still have a long way to go in this regard. My Ministry must make more communication efforts. In the next coming weeks, a dialogue between the public and private sectors will be open to explain what energy transition is and what legal provisions are applicable. The Ministry's door remains open to whoever partner is willing to collaborate. I am planning to hold a regular dialogue with the private sector on a quarterly basis, even virtually. Every Thursday, I welcome anyone who wants to speak with me personally.

Your message to the private sector?

If at some point, a company has any issue, doubt, or concern, reach out to me personally, even without a formal meeting request. My door remains open to the private sector.

Are we ready for energy transition then?

The government is ready; but we cannot walk alone. We need the private sector's support. There is a solution to any problem. There is an explanation to any unclear information. We acknowledge the lack of expertise. We acknowledge that sometimes there can be misunderstandings. The Energy law may not be adapted to the PPP laws and sectoral laws. But these are challenges that can be solved through dialogues. Dialogue is essential.



Interview by **Kenny Raharison**

The Off-Grid Solar Energy Market in Madagascar - an investment opportunity with social impact

Four out of five people in Madagascar do not have access to electricity.¹

In rural areas, where more than 60% of the population live, access is even scarcer, and this means more than three million households do not have electricity. This underserved market offers an opportunity for companies which are interested to invest in the distribution of stand-alone solar solutions, such as solar lanterns and Solar-Home-Systems (SHS).

The market has recently experienced a significant uptake with almost 50,000 high quality products sold in 2021. It is estimated that the short- and medium-term market potential is more than four times the current level. The demand could increase even further, to three million households.²

As Madagascar is an entry-level market, mainly lanterns and small SHS are currently sold. The vast majority of sales (95%) are made with consumer finance either through microloans or prepayment solutions, so called "pay-as-you-go".

This form of finance, offered in combination with solar products, enable households to build up a credit history. This financial inclusion can support household in accessing further financing.

There are also other benefits.

Using quality solar products can increase household income as it allows those offering labour, services, and products to do so after nightfall. Solar products can replace candles or kerosene lanterns that are not only



A SHS in Arivonimamo is used to weave in the evening.

expensive but also a safety hazard due to an increased risk of fire or pollution.

In addition, off-grid solar products contribute to a favourable learning environment for children. Thanks to solar light, students can get home safer, study at home and have access to information via radio or television.

Given the market potential and limited number of distributors active in the market, the risk of saturation is low in the medium term. In addition, importing companies are benefitting from VAT and customs duties exemptions for quality solar lanterns and SHS.

In order to support the development of the market, the Government of Madagascar initiated the Off-Grid



A market stand uses a solar lantern to sell products after nightfall in Analavory.

Market Development Fund (OMDF). The programme is led by the Ministry of Energy and Hydrocarbons and financed by the World Bank. OMDF offers grants and loans to companies involved in the distribution of high-quality products. OMDF is managed by Bamboo Capital Partners in collaboration with Société Générale Madagascar.

Madagascar therefore provides an attractive economic and regulatory framework for providing access to affordable and sustainable energy through the distribution of stand-alone solar solutions.

 By **Katja Tauchnitz (OMDF Madagascar)**

More info: omdf.mg

1. 16,5% in 2021. Source: <http://energie.mg/electricite/taux-d'accès.html>

2. Source : Enclude (2018): Final Report – Off-Grid Solar Market Assessment Madagascar

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"Energy for all" – but what are we waiting for?

Among the objectives to contribute to the Emergence of Madagascar is, under a vision of access to energy for all in connection with the global efforts of MDG 7, "achieve a rate of access to electricity of at least 50% of the population by 2023.

The latest statistical census confirms that the majority of the population in Madagascar is rural, at 80%. Without the need for an intense intellectual effort, one would expect that substantial efforts would be made to significantly increase the rate of rural electrification in the country, which has hovered around 5% for several years.

However, there is no indication that this is the case.

Large-scale renewable energy projects aimed mainly at supplying the electricity grid and therefore urban areas are regularly highlighted, as are efforts to put an end to the setbacks of JIRAMA, which mainly supplies urban areas. Without questioning the relevance of these commendable efforts that must be pursued and on which it is necessary to persist given the time it takes, the question remains and remains: when will the majority of the population, living in rural areas, benefit from the advantages of electricity, and while we are on the subject of delays, from electricity coming from

a renewable energy production, what are we waiting for exactly? Are we counting on the theoretical hypothesis of a satisfied urban population that will lead to the development of electricity in rural areas? The explanations given are "business", "financial return on investment", "priority interests", "political stakes of cities"...

In short, "it is not important"!

If it were, we would not be here, after several years, waiting for the adoption of the decree allowing the operationalization of the National Sustainable Energy Fund to support rural electrification. If it were, we would see significant financial support from the State and its partners for Barefoot College-type programs, with a strong social component and more than interesting "returns in terms of impact on investment". If it were, we would not be distributing free solar kits without knowing if it will still work tomorrow and if the beneficiary, in economic difficulty, did not prefer to sell it. Of course, working for rural electrification presents multiple challenges, if only related to the geographical dispersion, the low purchasing power compared to cities, ... is this a sufficient reason to consider the 80% as "unimportant" when many off-grid solutions exist and only need to be strengthened, supported and scaled up?

Citizens of the urban world, we hear you: "Ny aty ary tsy ampy". To which a fervent promoter of energy efficiency would answer: "Mila maharitra kely, sady mila mahay mitsitsy izay misy". This is very nice, but it would also be appropriate to facilitate and promote savings in electricity consumption at the level of everyone, be it a household, a company or a public administration. What else is expected in this regard, knowing that it is a win-win situation, considering the financial savings for the consumer in particular? The measures to be implemented are known, if only in relation to lighting. Why don't we adopt them? What are we afraid of, losing our energy-guzzling lamp business? Why shouldn't we switch to something better for everyone and especially for future generations?

"And there was light", for everyone and for a long time.



By **Randriambola Voahirana**,
Senior Officer - Extractive Industries
and Energy Access
WWF Madagascar

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Is Solar power Madagascar's energy future?

To tackle the difficult uninterrupted access electricity in Madagascar, solar solutions appear to be a godsend for achieving the objective of increasing the rate of access to energy to 40% by 2023.

A country unequally provided with energy

It is an unwritten law to ensure that the renewable energy sector allows access to energy in all its forms and respect for the environment at the same time. The development of these energy solutions, particularly solar energy, is taking shape on the African continent and can serve as a real industrial springboard for Madagascar. Indeed, the World Bank's 2019 data indicate that the rate of access to energy on the Red Island is 26.9 percent. Madagascar envisions to increase this rate to 40% by 2023. To achieve that goal, the country, blessed with annual 2,800 hours of sunshine, can count on a rich solar energy potential estimated at 2,000 kWh/sqm/year. The government was aware of the challenge and decided in 2014 to embark on deep reforms to transform the energy sector.

Today, 73 percent of electricity is produced from fuel oil that uses the most polluting heating system on the market. The Malagasy Ministry of Energy has therefore been looking

at different alternatives to speed up the electrification of the country. In March 2016, the State obtained \$65 million in financial support from the World Bank through the PAGOSE project (Projet d'amélioration de la gouvernance et des opérations du secteur électrique). Then in June 2018, an additional funding of \$40 million was provided. The main objective was to increase generation capacity and reduce energy losses while helping the government improve governance in the energy sector. PAGOSE also ambitioned to fast forward the shift to renewable energy, with the hope to provide a reliable and cheaper alternative to expensive and polluting diesel generators.

Madagascar's sunlit future?

Madagascar holds the key to turn the solar blessing into a lever of development. More and more actors share that observation and come up with new ideas. New projects are multiplying. That is the case of Yann Kasay's initiative to co-create in 2017 the Jirogasy company, in order to grant easier access to electricity to a greater number of beneficiaries, through the development of connected objects and solar generators. The Madagascar-based company also seeks to contribute to the development of the country through its activities. With its

strong Malagasy identity and a recent partnership signed with the Off-Grid Market Development Fund (OMDF), Jirogasy prides itself on being able to equip a maximum number of needy people, particularly through domestic solar kits – small photovoltaic systems (<5kw)

In the words of Jirogasy's President, *"we can also support other startups or NGOs to carry out rural electrification projects in regions where access to electricity is lowest by assisting the local population on different tasks including sizing, installation, or maintenance of solar systems."* More companies like Jirogasy have clearly expressed their interest in setting up projects that propose sustainable solutions to support the Malagasy government's Energy Policy. With public support, they will be able to participate in the country's development – in compliance with international environmental standards and with the potential to drastically transform the daily lives of Malagasy citizens.

 By Jean Balme and Sara Cankaya

MBalik: 1,400 Solar Home Systems kits sold monthly

In 2021, MBalik, a Telma subsidiary, had the fastest rise in Solar Home Systems kits (SHS) sales in Madagascar. It now provides green energy to more than 100,000 people. With 1,400 kits sold monthly, MBalik's product line is appropriate for both individual consumers and NGOs.

MBalik's environmentally-friendly actions

After the cyclones, MBalik has provided kits to the Fokontany, and works with Bôndy to enhance the lives of farmers. The company has also sent supplies to employees most hardly hit by the cyclones.

MBalik's progress

Power access and load outages are both issues that affect the lives of Malagasy people. Telma has long been a leader in delivering solutions for residents and businesses in terms of telecommunications and Internet connectivity. With the support of the strong Axian group, MBalik kits are now available in the Jovena stations,

the WeLight electrified communities, and EDM.

Telma's contribution to the Energy sector through MBalik

Madagascar has several landlocked locations where energy access is not only difficult but also expensive. Only 15 to 20 percent of the country is served by Jirama. MBalik provides a long-term life-improving option for the populace. With no smoke emissions or use of fossil fuels, MBalik offers a green and clean energy source.

MBalik's social and environmental impact

MBalik reaches all categories of the Malagasy population and offers a series of products tailored to their specific needs. Companies of all sizes now seek alternative solutions to avoid power outages. Recent cyclones proved that long-term solutions are required. MBalik is an environmentally-friendly and safe solution that has no harmful effects on the environment

MBalik's goals

- To enhance the life of the Malagasy people by providing an alternative to traditional power generation in locations not serviced by Jirama
- To have a cost-effective, and environmentally-friendly installation
- To provide an environmentally-friendly option with solar TV kits
- To be part of a long-term growth strategy

MBalik's features and advantages

- Green, cost-effective, environmentally-friendly, and safe energy
- Zero risk of poisonous smoke, unlike paraffin lamps
- Zero risk of fire, unlike candles
- Easily accessible lighting
- Easy use for charging phones, listening to the radio, or watching TV where electricity is absent.

 By **Lionel Bureau**, MBalik Manager



SOLAR HOME SYSTEMS THAT FIT YOUR PROJECTS

HOME 120 PLUS
Ar 579 000

Plug & play
Up to 40H
autonomy
with 5
lights on



HOME 600
Ar 1 999 000

TV LED HD 32"
Plug & play
Up to 10H
autonomy
with TV and 5
lights on



**2 YEARS |
WARRANTY.**

CONTACT:
+261 34 00 380 19
contact.mbalik@telma.mg

QMM sustainable mine project: Making carbon neutrality a reality



In a context of climate change with increasingly strong and visible consequences on nature, but also on mankind, and fully aware of its responsibility as a key economic operator in Madagascar QIT Madagascar Minerals (QMM) has been developing since 2021 the ambitious concept of "sustainable mining". The purpose is to leave a sustainable legacy for current and future generations, by taking a broad approach going far beyond the mere impact of mining operations

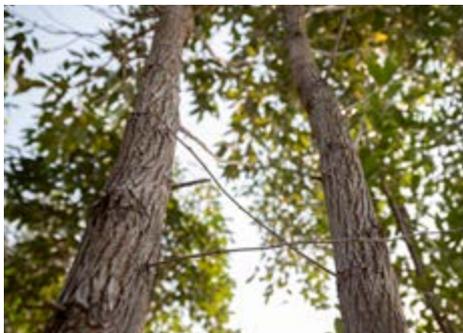
The sustainable mine in action

This concept of sustainable mining has been defined in five main pillars: reducing its carbon footprint, water management, economic development (regional and local) and ecological rehabilitation. But the first condition for the success of this project, which also includes the QMM waste management policy, was that it

be implemented, very quickly, and with a strong commitment to ongoing dialogue with all stakeholders, and in particular with communities.

The first actions were therefore put in place last year, starting with the signature, in July 2021, of an agreement for the launch of a solar and wind power plant project designed to supply the operations of QMM's ilmenite mine in Fort Dauphin, in the south of Madagascar, and also the energy demand of this town. The technical partner, Cross boundary Energy (CBE), is an independent power producer specializing in renewable energy project design for companies in Africa. CBE teams joined QMM early December for an official ceremony to lay the foundation stone, in presence of Malagasy authorities, notably representatives from the Energy, Mines and Hydrocarbons, and Environment ministries and environmental agencies.

In concrete terms, the renewable energy plant will be built and operated by CBE on the basis of a 20-year power purchase agreement. The first unit, an 8 MW solar energy facility, will be commissioned in 2022. The 12 MW wind power facility, operational in 2023, will complete a scheme that will also include an 8.25 MW lithium-ion battery energy storage system. More than 14,000 solar panels and four wind turbines will be installed. How will this renewable energy project play an essential role in the implementation of QMM's "sustainable mine" concept? First, it will enable QMM to meet all of its electricity needs during peak periods and up to 60% of its annual electricity consumption, while reducing its annual carbon dioxide emissions by approximately 26,000 tons. This means achieving carbon neutrality objective by 2023. But beyond this - and as evidence that the sustainable mine goes beyond mining operations - with the new





power plant, QMM will be in a position to replace the majority of the electricity it currently supplies to the city of Fort-Dauphin and its approximately 80,000 people with clean energy - which a strong impact on air quality and public health.

Other initiatives are part of the "sustainable mine" project which adopts a long-term approach to better protect the environment - starting with reforestation. After 500 hectares in 2021, in 2022 1,500 hectares will be planted, including 100 hectares for a project with Asity, Malagasy NGO in partnership with qmm for the management of protected areas. This project is also designed to be integrated into the Regional Economic Development Program in order to allow a deep and beneficial transformation for the communities on the long term. It is within this framework that QMM is conducting a drinking water supply project for the communities, which is part of its global water management policy, without forgetting impacting actions in favor of the development of rural electrification.

This "sustainable mine" project is therefore the concrete translation of the legacy that QMM intends to leave to present and future generations. While QMM leads the project, the company is keen to receive contributions, ideas and support from all stakeholders - in order to achieve lasting and meaningful impact. A permanent and productive dialogue is in place, with all the stakeholders, from authorities to communities and NGOs, with the objective to ensure a perfect alignment of all actions implemented within the development plan of the region and an effective social and environmental governance. All this will lead to the reduction of the environmental footprint and therefore of the carbon footprint but also, and this is an important point of this project, to the creation of economic and social opportunities more and more independent from QMM's mining activities. The proposed programs described above will indeed help to enhance a solid environmental expertise in Madagascar and also build capacity on renewables.

Leaving a sustainable legacy

As Mr. Ny Fanja Rakotomalala, President of QMM, reminded us last December during the laying of the foundation stone for the construction of the renewable energy plant, "this project is a strategic test, not only in Madagascar but also in the entire mining industry, because we must innovate and rethink our operations in order to effectively combat climate change and leave a sustainable legacy".

The 'sustainable mine' concept is therefore an opportunity for Madagascar to become a global leader in the implementation of practical solutions against climate change which can also have a positive effect on communities and enhance their well-being. With the sustainable mine concept, QMM takes ideas from the field, demonstrates that the private sector has a role to play in the fight against global warming and can innovate with new partnerships. Hopefully such approach can inspire others, in the mining industry and beyond.

Energy transition: does it make sense for Madagascar?

Why would Madagascar care about the energy transition when three-fourths of the population live beneath the international poverty line of \$1.90 per day¹ as of 2019 – exacerbated by the Covid-19 pandemic and food crisis, 16.4% electricity access rate in 2020² of which 13% in rural areas³ where 80.7% of the population live, urban areas having long suffered from electricity outages and unstable energy supply, and needless to say the country is only responsible for 0.01% of global emissions.

Transition literally means moving from state A – using conventional energy sources – to state B – making use of low-carbon energy sources. Therein lies the question, how can a country transition from a barely existing state. Some – particularly the oil giants who stand to lose from this dispute – might argue that we should not be distracted by all the energy transition noise for these reasons and that we should keep using conventional energy sources to fuel development, the way developed countries moved through the industrial revolution to get to the current state.

Indeed, it would sound almost colonial to prevent LDCs from reaching the same stage through the same method under the pretext of climate change. Nevertheless, simply looking back at the first quarter of 2022, there has been no less than 5 deadly and distressing episodes of



Juliana Andriantsiferana, Climate Change and Renewable Energy Finance Enthusiast

cyclones and storms. The country is indeed bearing the brunt of climate change, and it would be ridiculous to want to contribute further to our own drowning knowing the aspatial nature of climate change and its effects.

Having said that, we do need to decarbonize our energy sector, but it must be part of a real development agenda.

■ **A long-term and integrated energy planning** designed in a coherent way and considering the integration of

different technologies. Madagascar has significant untapped renewable energy resources of hydro, solar, wind and biomass. Such planning must encompass all levels of energy access, from households to productive and community uses, all types – whether for electricity, cooking or mechanical power, and all feasible and economically suitable combinations of configurations, including grid-connected systems, decentralized ones – whether mini-grids or stand-alone arrangements. This should result not only in the measurement of increased megawatts, but also of all development indicators including education, gender, health and sanitation, etc.

- Providing power to people without creating economic activities is not helping much. Finding a way to raise the standard of living of communities would help sustain operators' business model. Thus, **the productive use of energy should be central to stimulating demand and development.**
- As long as there is a mismatch between the short-term motives of politicians and the long-term vision required to frame energy policy, it will be tough to establish a sustainable and bankable ecosystem. However, it is almost impossible to detach

1. The World Bank

2. Système d'Information Energétique de Madagascar

3. ADER

the energy sector from politics. **It is an industry that needs a regulatory framework to develop and attract investment into the sector.** Enabling factors should be put in place to give rise to well-structured projects with attractive risk-return profiles, for the rollout of clean energy sources.

- Today, the challenge is no longer technological, thanks to the progress made being replicable from one region to another. The main obstacle to the development of sustainable energy is mainly financial. The island's energy sector is simply not perceived as a bankable environment,

in the broadest sense of the word, to attract various investor profiles. An overwhelming share of investment in renewables in Africa is concentrated in South Africa, Egypt, Morocco and Kenya between 2010 and 2020 as a result of enabling policies and financing mechanisms⁴. Hence the widespread recognition of the crucial role of African development banks in LDCs like Madagascar to catalyze private capital. It is high time the government acknowledged the **need for a dedicated facility to finance sustainable energy access in Madagascar.**

Finally, support from international community in terms of know-how and resources is unavoidable. The international community must contribute substantially to the achievement of SDG7 by 2030. All it takes is real leadership at the helm to fully realize that clean and affordable energy for Madagascar is the engine of development and would trigger the achievement of the other Sustainable Development Goals.



By **Juliana Andriantsiferana**
Climate Change and Renewable Energy Finance Enthusiast
MSc Carbon Finance, University of Edinburgh Business School, UK.

4. IRENA (2022). Renewable Energy Market Analysis: Africa and its Regions



FUNDING OPPORTUNITY
Public Diplomacy Small Grants Program - Annual Program Statement

Have a great idea, but no money to implement it? We are pleased to inform you that funding is now available through our **Public Diplomacy Small Grants Program**.

Details and procedures can be checked at Grants.gov website by searching Funding opportunity number **AFMDG-22-01** or at the U.S. Embassy Website.

To be considered for this opportunity, you are invited to carefully follow the instructions on the Website, and be sure **to submit your application by April 30, 2022**, by emailing to AntanPASGrants@state.gov .

Although the website will provide you sufficient information, please see below list of the priority areas that funding will be focused on this year:

- Improving English language learning through curriculum development, teacher training, and/or developing partnerships with U.S. educational institutions;

- Promoting U.S. culture and values;
- Advancing good governance and democratic values including accountability, transparency, and human rights in Madagascar and/or Comoros through the promotion of educated civic participation, particularly among youth and women;
- Enhancing youth leadership and engagement;
- Advancing a free and responsible press and combatting disinformation including election disinformation;
- Promoting the free exercise of religion and ensuring that laws and government policies do not interfere with its practice;
- Increasing opportunity for women, girls, minorities, and/or disadvantaged populations;
- Developing skills in innovation technology, STEM, and entrepreneurship; and,
- Improving environmental stewardship, sustainable management of natural resources, and biodiversity conservation through environmental action programs.

Volatiana Rakotondrazafy: Transforming energy challenges into industrial and investment opportunities

Many of those who have written on the subject often described the situation of the energy sector in Madagascar as **"energy starvation"**. Recent studies which are available indicate that in terms of overall access to energy, Madagascar ranks 184th out of 190 countries and is among the 20 countries in the world where 1.6 percent of the population has access to clean fuels and technologies ¹. 95 percent of Malagasy households depend on solid biomass for their fuel consumption, mainly wood energy and charcoal². Access to electricity, which represents 3 percent of total energy consumption, is still very limited, with **20.5 percent** of the population having access to an electricity network and nearly 10 percent in rural areas³.

About **670 MW** of electrical capacity were available in the country in 2020 (450 MW of diesel/heavy fuel, 120 MW of hydroelectricity and 20 MW of solar)⁴. According to studies conducted by the Ministry in charge of energy and hydrocarbons, it is estimated that 31 to 41% of the country's total electricity consumption is attributed to the 95% of Malagasy industries⁵.



Volatiana Rakotondrazafy,
UNIDO Country Representative in Madagascar

1. Investment Support Program Madagascar. Ethanol Cooking Strategy and Roadmap. Demand and supply analysis report, USAID, March 2020

2. Banque Mondiale, PID 2016

3. National Energy Information System - <http://www.energie.mg/>

4. National Energy Information System - <http://www.energie.mg/>

5. Economic Development Board of Madagascar, Investir #2, June 2018

In terms of renewable energy, Madagascar has enormous, diversified but yet untapped potential. To mention only the hydroelectric potential, totaling 7.80 GW of which 2 percent is exploited. Or its solar resource, which is among the highest in the world, with sunshine (2800h/year) uniformly distributed in almost all regions. Similarly, wind power, with an average wind speed of 3-8m/s to 20m/s, represents a capacity of 2,000MW that can be exploited⁶. In addition, the country has begun its energy transition and *"realistically, has committed since 2018 to reduce its greenhouse gas emissions by 14 percent by 2030 and increase the absorption capacity of its carbon sinks to 32% during the same period."*⁷ The improvement of the sector's regulatory framework is also an ongoing process, notably through the 2015 New Energy Policy and the Electricity Code (Law N° 2017-020).

It is well established that development is not possible without energy. For a country like Madagascar, which has chosen industrialization as one of its priorities *"to catch up on its development delays"*, the ambition is to produce locally what the population needs. This is all the truer in the current global context (pandemic, war...) which has seen the disruption of the supply chain at the global level as well as a growing uncertainty in the field of investments.

Although several projects and investments of various sizes have been launched in Madagascar's energy sector over the past five years, energy

is still an obstacle to industrialization and both domestic and foreign investment. First, the lack of adequate energy infrastructure makes supply, production and distribution operations challenging, in many respects. Second, the cost associated with the energy factor is among the highest and crushes companies' purse, thus reducing the competitiveness of the Malagasy industrial sector as well as the attractiveness of the country in terms of investment.

To transform these challenges into opportunities, the Big Island has several alternatives. Among others, **optimizing the existing projects in the sector** by using the overproduction of energy for productive activities and by bringing the transformation to the place where the raw material is produced. Experience has shown that **investing in energy infrastructure** is often risky and economically unprofitable if it is only dedicated to domestic and social use, among other reasons because of the low purchasing power of the target population. It is therefore necessary not only to associate it with productive purposes but to diversify the sources as much as possible in order to encourage those that would be the most competitive and sustainable (i.e., renewable and efficient at the same time).

Promoting circular economy and entrepreneurship along the industrial activity chain would also stimulate the creation of value, wealth and jobs in an inclusive and sustainable manner. This would provide sufficient mass to

absorb the energy produced and thus reduce costs through an economy of scale. Finally, the use of cleaner and more resource-efficient technologies would increase the competitiveness of the industrial sector and investments in general, as well as their resilience to climate change.

By and large, industrialization and investment promotion cannot be separated from energy. And increasing access to energy means developing related investments. In Madagascar, **the United Nations system** is bringing its contribution to this. In addition to an ongoing support to develop small-scale hydroelectricity for productive use, a joint initiative with the Government, and with a financing from the **U.N SDG Fund**, is being implemented by **UNDP**, **UNCDF** and **UNIDO**, which seeks to set up an innovative financial system to support the development of renewable energy as well as pertaining investments.



By **Volatiana Rakotondrazafy**,
UNIDO Country Representative
in Madagascar.

6. Economic Development Board of Madagascar, Investir #2, June 2018

7. Ibid.

Sparking Change: Bringing Electricity to Rural Madagascar

“There’s been a kind of revolution in our work.”

Those are the words of Simonette, a 32-year-old midwife and head of the health clinic in Ambodisakoa village in northwestern Madagascar. She is just one of the beneficiaries of a USAID project bringing electricity to 35 remote, rural health clinics serving 140,000 patients in her area.

Completed in September 2021, the project connected these remote health clinics to decentralized, solar-powered electrical grids called nano-grids, providing electricity to hard-to-reach rural villages, some that are 15 kilometers on dilapidated roads from the nearest city. The electricity is transforming their health services and creating an additional market for others to purchase the excess electricity.

This has sparked significant change in the communities. At Simonette’s health clinic, they’re now able to store and provide vaccines. Ms. Zainaba, a mother of two children, was able to get her son urgent care when he fell ill during the night because the electricity enabled the clinic to function after sundown. The electricity enabled Solange, an aspiring entrepreneur, to start a new juice and ice-making business.

“Now we have lights that illuminate the rooms and a refrigerator where we keep the vaccines. I can attend to emergencies at night, and the residents are more willing to seek health care at the health center,” Simonette says, adding that thanks to the cold storage vaccines are available in the clinic, so patients no longer have to wait for delivery.

According to Mohamed Allaoui (a male nurse and head of the health clinic in Ambodifinesy, which serves 864 people), since the electricity has been installed, more people are visiting the health clinic at night, and it is much easier for the staff to assist women who go into labor during the evening. *“We’ve seen an increased number of health clinic users. The people feel safe to come here at night.”*



Photo 1: Solar panels generate power for Ambodifinesy health center.

Ms. Zainaba, who runs a grocery shop in Ambodisakoa, is one of those patients who has benefitted from the health clinic’s extended hours. *“My son had sudden diarrhea, and I took him to the health center for treatment and the assistant nurse – who lives there – gave him the needed medicine,”* she explains.

Through the **Power Africa Off-Grid Program**, USAID provided **Nanoe Enterprise**, a French non-governmental organization, with a grant to complete rural electrification projects in three areas of northwestern Madagascar: Ambanja, Ambilobe, and Antsiranana. All 35 of the rural health clinics have now been electrified.

In Ambanja, the project installed **730 solar panels** to power 15 nano-grids and recruited 50 locals to work as entrepreneur-managers. These local managers received four months of training from Nanoe, including an introduction to electricity and grid operations, instructions on grid building and repairing, an overview of the commercial process, and the associated legal aspects. These managers are critical to the project’s sustainability as



Photo 2: Consultation at Ambodifinesy health center with Mohammed Alloui, CSB Chief

they provide long-term stability and oversee all aspects of grid operations, including customer prospecting, contracts, installations, payments, and troubleshooting.

The nano-grids are powerful and provide more electricity than the health centers need. That's actually a key element of the project design to ensure sustainability. Excess electricity is sold to subscribing members of the surrounding communities and the money from these subscriptions pays for the managers and covers the costs of grid maintenance.

Each nano-grid provides electricity to four-to-six additional connections - households or businesses. Payment is made on a prepaid basis, meaning users pay in advance for the amount of electricity they will use. *"On average, domestic users spend Ariary 16,000 (\$4) per month for electricity. They no longer buy kerosene or candles or batteries that have noxious effects on their health, and don't have any additional energy expenses,"* says Founder and CEO of Nanoe Enterprise, Nicolas Saincy.

Simonette's health center pays Ariary 105,000 (\$27) each month for its electricity. Every member of the community over the age of 18 also contributes by paying Ariary 500 monthly.

Nanoe CEO Saincy is a firm believer in the system. *"Asking the users to pay for their electricity consumption makes the system sustainable. Users will have the right to ask for better services because they are financially involved,"* he says.

Communities are already seeing a range of benefits beyond the improved access to health care. Entrepreneurially-minded people like 48-year-old Solange are using the electricity to satisfy their thirst for new businesses. Originally

a farmer, Solange started a new juice and ice-making business.

She says it has already been quite lucrative. *"I pay 160,000 Ariary per month toward my electricity bill, and you know what? Within two weeks I make the same amount thanks to the sale of juice and ice, especially during the very hot season between September and January." She has already begun building a new store for her business, right next to her family's home. She also had electricity installed in her house and says it's making her life easier, "I don't have to do the errands twice a day as I used to because now I have a new freezer."*

Amédée, the only bike repairman in Ambohimena village, is another businessman taking advantage of this new resource. *"I've always worked as a bicycle repairer. Earlier, I used a kerosene lamp, but the lamp gave off a bad smelling smoke that made me cough! When I ran out of kerosene, I stopped work at dusk because it was too dark and I did not want to lose my clients' trust by messing up with their bicycles. Now, I safely work at night when my customers require a tight deadline. My income has improved, and I don't have to spend money buying cough syrup or going to the health center to treat my cough."*

Access to electricity has been world-changing for many aspects of life in these rural communities. Another resident of Ambohimena, Yvette, a mother of three small children says, *"Living in an illuminated house is like being released from jail! My kids can do their homework in the evening without any problem, and we can charge our telephones right here." Yvette's husband used to stay late at his office when he was facing a tight deadline. She would feel anxious and worry about him until he was back home safe. "Now, he can take his extra work home and safely work during the night. I feel greatly relieved he's at home early every day."*

When rural communities don't have access to electricity there are dire consequences in terms of both economic development and health outcomes. The energy generated by these nano-grids is now powering critical medical devices, keeping the lights on so doctors can provide urgent care at any time of the day or night, and putting a charge into intriguing new business. Other families are simply using it to read, study, watch tv, or cook without using candles or gas lamps. No matter how it is being used, it's life-changing.

Mohammed, the head of the health center in Ambodifinesy, sums up the communities' attitude towards this change in one sentence.

"I hope we will always have light."

EDBM : Why invest in the Energy sector in Madagascar?



How EDBM supports investment projects in the ENERGY sector

EDBM counts among its technical departments the Investor Services Department (DSI). The DSI's main roles are to promote and facilitate investments (Foreign or National Direct Investments) as well as to provide effective aftercare service.

On the one hand, EDBM, as the main point of entry for investors, supports investors who express their interest in the Renewable Energy sector. EDBM's Investment Manager Energy provides services at different levels: information, support at each stage of development of their initiatives, and a matchmaking service.

On the other hand, EDBM supports project promoters in refining the economic and financial aspects of their projects and in bringing their real impacts forward. With such support, projects are more likely to become bankable. EDBM's accompaniment continues until project promoters are introduced to potential financial partners.

EDBM's works in progress

To excel in its mission of facilitation and promotion, EDBM now has a team fully dedicated to the implementation of a digital platform named **Platform for Energy Investments** (PIE). The initiative fits into EDBM's steps towards the digitization of its services. PIE will be dedicated to the targets



Menja Andriamampianana, Investment Manager Energy, Economic Development Board of Madagascar

mentioned above and will be used as an information channel, and a tool for support request and project promotion. The platform will serve as a marketplace for promoters and investors in the renewable energy sector.

In addition, EDBM works closely with fund catalysts such as the Private Financing Advisory Network (PFAN) and other partners such as Investisseurs & Partenaires (I&P) or SUNREF to enable projects to access

financing and to allow small and medium-sized projects to emerge from the ground.

Why invest in renewable energy in Madagascar?

Madagascar's natural potential is huge but remains underexploited. If the country manages to fully explore it, we could provide energy on a large scale. Figures show that the rate of access to electricity is as low as 16.4 percent, and is even lower in rural areas where the access rate is close to 13 percent. The share of renewable energy in the energy mix is still relatively low in the production.

The potential is great with an estimated 7.8 GW in hydro and 2,800 hours of sunshine per year. With only 16 percent of the population of 26.5 million inhabitants, we can say that the market is still large. The demand for energy in various productive sectors and the quick development of new technologies call for a rapid implementation of renewable energy projects.

In terms of incentives, the Electricity Code has evolved and now seeks to simplify all procedures and to strengthen market liberalization. The law covers all the regulations applicable to energy generation, transmission and distribution; self-generation; supply licenses etc.

The Electricity Code integrates provisions for the exploitation of renewable energy sources in order

to bring Madagascar in line with international guidelines.

According to tax provisions, the import of materials and equipment for the production of renewable energy and the sale of materials and equipment intended for energy production from renewable sources on the national territory are exempt from VAT.

In addition, companies that invest in the production and supply of renewable energy will be granted a tax reduction calculated as the tax equivalent to 20 percent of the investment made.

Any individual or legal entity who imports materials and equipment used for the production of energy from renewable sources can enjoy

preferential arrangements by the Customs department. These can be an exemption from or a reduced rate of Customs duties.

EDBM's actions to improve the business climate in Madagascar to attract both local and international investment in the energy sector.

To improve the business climate in the sector, EDBM with the support of GIZ-PERER is currently working on the development of incentives for the promotion of renewable energy. Promoting the existing incentives and sensitizing the actors about these measures are now essential. We must inform investors about the existing legal provisions and their good use,

and clarify the interpretation of these texts. EDBM keeps analyzing and optimizing the application of the laws in force.

In this mission, EDBM seeks to identify the constraints hindering the development of renewable energy through an inventory of the existing measures and their impacts; and to propose ways of improvement and reinforcement of the incentive measures by capitalizing on the international good practices. The mission also aims at proposing a list of new actions and incentive measures for the promotion of renewable energy through a Public-Private Dialogue..

 By **Menja Andriamampiana**,
Investment Manager Energy,
Economic Development Board
of Madagascar

Energy Quick Stats

	Unit	2020	2021	Variation	Sources
Electricity production	MWh	1,836,382	1,910,682	+4%	JIRAMA
		■ 817,906 from hydro	■ 767,339 from hydro	■ -6.2%	
		■ 1,018,476 from thermal	■ 1,143,342 from thermal	■ +12.3%	
Electricity consumption	MWh	1,333,591	1,372,702	+2.9%	JIRAMA
Oil consumption	m ³	964,484	1,157,800	+20%	OMH
Energy imports	million Ariary (CIF)	1,491,724	2,601,548	+74.4%	D.S.E/INSTAT



International trade shows: what do we have in store for 2022?

Getting closer to your prospects and potential customers remains the most efficient way to build trust. We acknowledge how costly it is for

companies to pay for a booth and travel from Madagascar to the United States. This year, the AmCham will facilitate its members' participation to

international trade shows in the United States. Have a look at the interesting trade events below.

For more information about these shows, please feel free to reach out to AmCham. Contact: kenny@amcham-madagascar.org | +261 33 15 004 74

	Name	About the show	Targeted participants	Date and Venue	AmCham experience
	Sourcing at MAGIC	SOURCING at MAGIC's Las Vegas gives fashion businesses, brands, and sourcing professionals the opportunity to connect and collaborate with a global community of manufacturers, suppliers, and service providers - both in-person and online. SOURCING at MAGIC provides access to cutting-edge fashion technology, sustainable resources, educational content, networking, and extended visibility into the industry's most critical global issues.	Textile and apparel companies Handicraft companies Clothing and fashion	August 7-10, 2022 Las Vegas Convention Center, Las Vegas, NV	YES
	NEW YORK NOW	The NY NOW Summer Market brings together brands, designers and buyers to connect and discover a world of inspiration.	Companies specialized in: <ul style="list-style-type: none"> ■ Home décor: handmade baskets, hand thrown pottery, tabletop, outdoor accessories for the home ■ Housewares, gifts, fashion, Modern metal jewelry ■ Others: gourmet foods, gourmet edibles 	August 14-17 Javits Center, New York City, NY	YES



Natural Products EXPO EAST/WEST

EXPO EAST/WEST is:
- the best place to reach natural, organic, and healthy lifestyle buyers.
- An opportunity for getting one-on-one time with retailers, distributors, health practitioners and food service professionals.
- The best place to tell your story and network with the food industry

Companies specialized in natural food - specialty food products (including spices, vanilla, cloves)

EXPO EAST YES
September 28 - October 1, 2022
Pennsylvania Convention Center, Philadelphia, PA
EXPO WEST
March 7-11, 2023
Anaheim Convention Center, Anaheim, CA



Tucson Gem and Mineral Show (TGMS)

TGMS has enjoyed international stature since the 1970s, and was the first gem and mineral show to bring the hobby enthusiast, the public, and the curator/professionals together for discovery and discussion.

Companies specialized in mineral, fossil, jewelry, lapidary crafts

February 9-12, 2023
Tucson Convention Center, Tucson, AZ
NO

TSIMIRORO
Bloc 3104

A high-quality heavy fuel oil to support Madagascar sustainable development



- Quality certified by a major generators' manufacturer and world's leading inspection, verification, testing and certification company
Low sulfur content - Exceeds the IMO requirements regarding HFO sulfur content from 2020
Fit for power generation - Positive and successful test at Mandrozeza power plant in 2016
Competitive energy for local industries
Source of foreign exchange income for the country
Lever for development through jobs creation, economical, social and infrastructure development



Trade statistics:

The United States remains the second largest destination of Malagasy products

Back in 2018, the United States was Malagasy products' largest destination with more than 624 million dollars exported. With the pandemic, the values of Madagascar's exports globally have slightly decreased. Look at the following data.

Graph 1: Madagascar's trade balance

Madagascar's trade balance has remained negative for the last five years and reached its highest level in 2021 with a deficit of 1.6 billion dollars.

Graph 2: Madagascar exports' largest destinations

France and the US remain the top 2 destinations of Malagasy exports with 536 million dollars exported to France and 506 million to the United States.

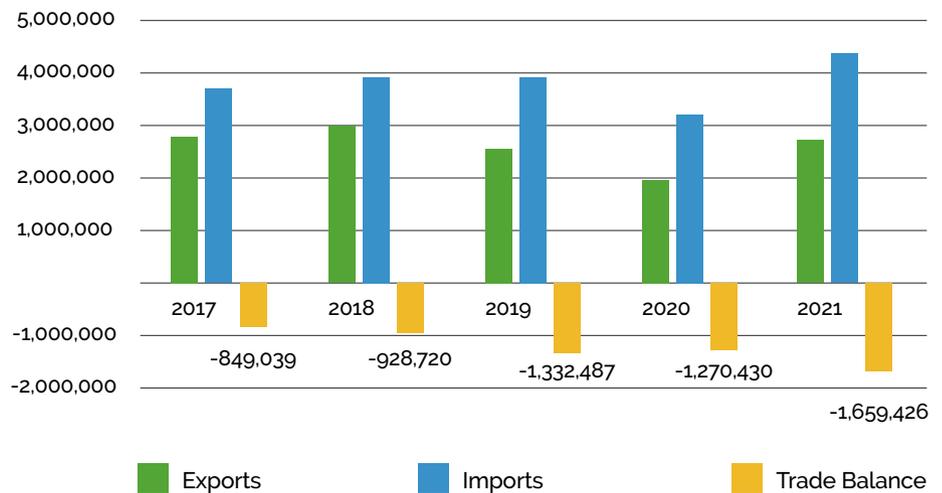
Graph 3: Top 8 most exported products to the United States

Products from code 09 (coffee, tea, spices including vanilla) have long been the most imported products by the US from Madagascar. Then come apparel and textile products. One important achievement in this graph is the gradual resumption of nickel exports, from USD 875,000 in 2020 to 2.7 million in 2021.

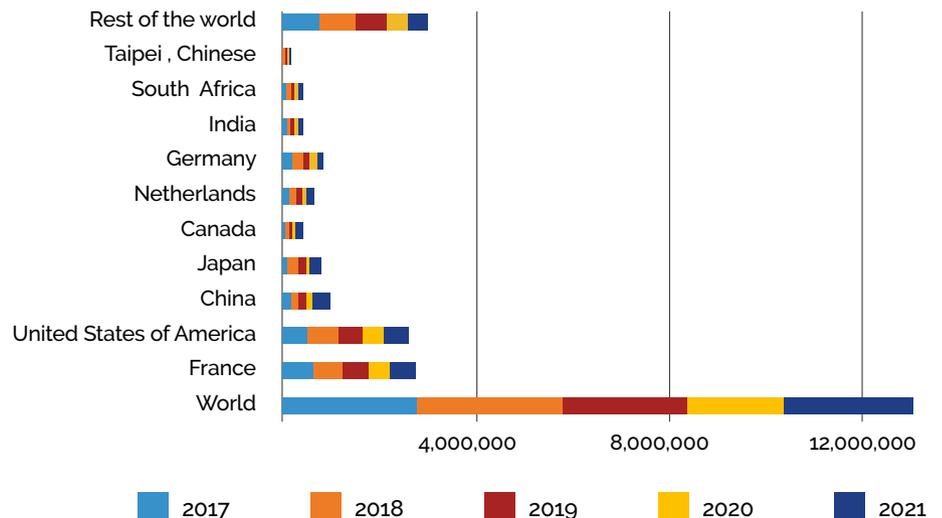
Graph 4: Evolution of Madagascar's exports to the United States

After a significant fall of Madagascar's exports to the

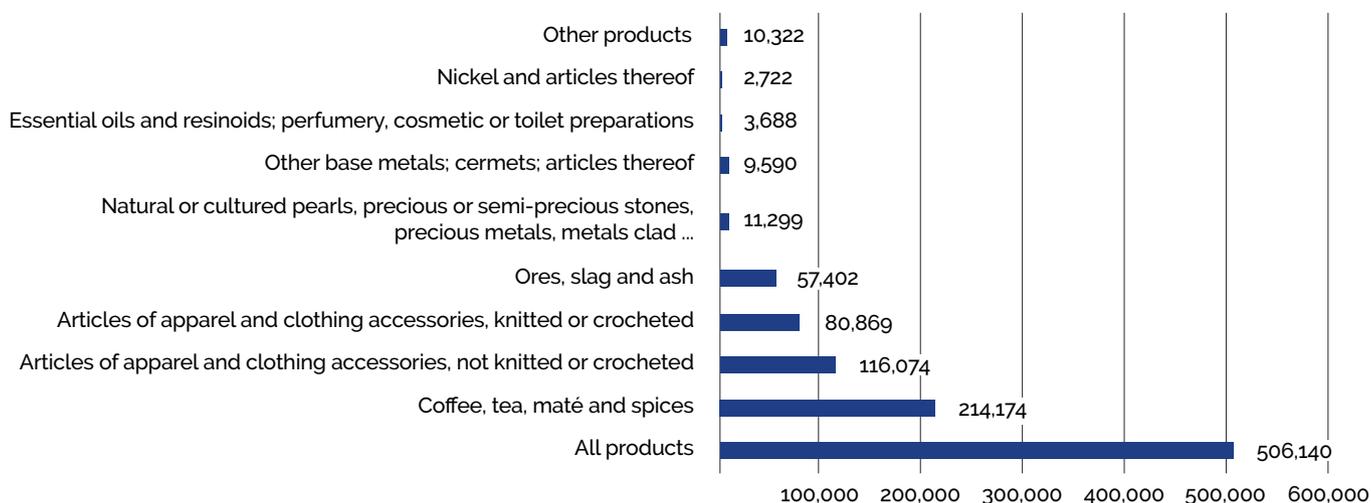
Graph 1 : Madagascar's trade balance (in values, in USD thousands)



Graph 2 : Top 10 destinations of Madagascar's exports (in values, US dollar thousands)

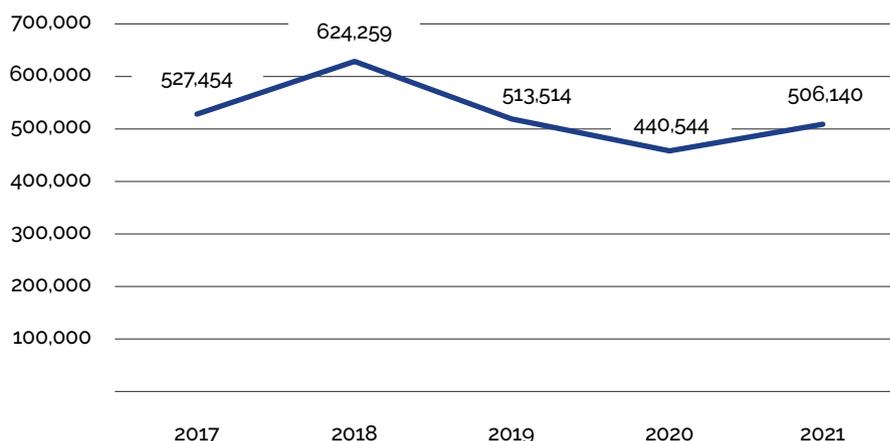


Graph 3 : Top 8 exported products to the US in 2021 (in values, in US dollar thousands)



US during the pandemic, 2021 provisional data show that the trend is clearly rising, from 440 million in 2020 (lowest level these last five years) to 506 million in 2021.

Graph 4 : Madagascar's exports to the US in values (in US dollar thousands)



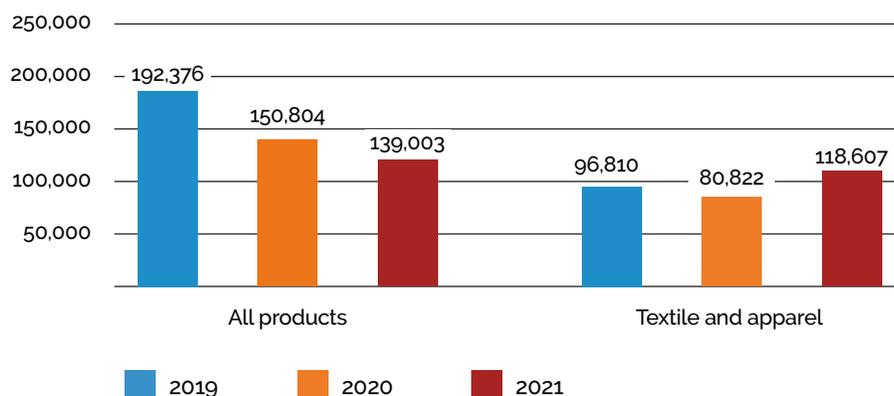
Graph 5: Madagascar's exported products under AGOA

Madagascar's exports under the African Growth Opportunity Act are dominated by textile and apparel products that represented 85 percent of total exports, compared to 53 percent the previous year.

Note: Data from Graph 5 are mirror and direct data, meaning that there may be AGOA-eligible countries that did not submit their trade reports.

Data sources: These aggregated data come from ITC Trade Map whose calculations are based on data from the Malagasy Customs Directorate. 2021 data are still provisional.

Graph 5 : Madagascar's exports under AGOA (in values, in US dollar thousands)





AmCham News

The AmCham family is growing. Welcome to AmCham's newly approved members.

Company name	Activity	Location	Person of contact	Company contact
Lambà	Fashion industry	Antananarivo	Mrs Eva Rakotoarivony	eva.lamba@gmail.com
Madagascar Products	Collection, processing and exports of local products (vanilla, cloves, cocoa...)	Sambava	Mr. Tejy Body	productsmada@gmail.com
Miellerie de la Grande Ile	Beekeeping and honey marketing	Antananarivo	Mrs Sam Paula Rasoarimanana	rasampaula@gmail.com
Kolots'Art Aloalo	Arts and crafts, decorations	Antananarivo	Mr Bernard Mancaud	bm@kolotsart-aloalo.com
HP Conseils & Services SARLU	Accounting service, trainings, event organization, facility management	Antananarivo	Mrs Hasina Mialisoa Andriantsiory	Info.hpconseils@gmail.com

Important membership information

AmCham members' Annual General Meeting will be held in late June. Invoices for 2022 membership fees have already been sent to AmCham members. Members are kindly asked to pay their dues by the AGM in order to be able to vote. Non-payment of annual dues is considered as resignation.

Companies interested in joining AmCham are required to fill in an application form available for download on the AmCham website. Membership applications must be sent to es@amcham-madagascar.org or directly to the AmCham office Ankorondrano.

AmCham's Charter and Sponsoring Member:



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