ENERGY SECTOR OVERVIEW

Madagascar has substantial resource potential for hydro, plus wind and solar. Diesel is prominent, resulting in localized costs that can be as high as $0.70-0.80/kWh. The high tariff rates result in low collection rates, and subsequent plant failures due to unfunded maintenance. Access rates are low countrywide, and very low in rural areas. There are seafood processing areas in the south that would economically benefit from the cold chain storage, if it were made available.

<table>
<thead>
<tr>
<th>GENERATION CAPACITY</th>
<th>CONNECTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Capacity: N/A</td>
<td>Current Access Rate: 13%</td>
</tr>
<tr>
<td><strong>Power Africa New MW to Date</strong></td>
<td>Rural: 8%  Urban: 22%</td>
</tr>
<tr>
<td>- Reached Financial Close: N/A</td>
<td>Household without Power: 4.33 million</td>
</tr>
<tr>
<td></td>
<td>- Target: Universal Access by 2030</td>
</tr>
<tr>
<td></td>
<td>Power Africa Off-Grid Connections: 8,400</td>
</tr>
</tbody>
</table>

INVESTMENT AND ENABLING ENVIRONMENT

**Biggest Issues and Bottlenecks**

1. Macroeconomic forces
2. Inability to pay
3. Weak utility

**Power Africa Interventions**

1. Capacity building for ADER to support rural electrification
2. Focus on transactions by supporting the GoM, investors, and developers
3. Increase collaboration with development partners, notably, GIZ and WB, to support ongoing efforts and plan future activities
POWER AFRICA'S ENGAGEMENT IN MADAGASCAR

MW GENERATION

Power Africa’s presence is nascent in Madagascar, operating under the Southern Africa Energy Program (SAEP), which commenced in 2017. Power Africa is assisting ADER with its plans to roll out electricity nationwide to Madagascar; however, ADER is severely resource-constrained.

CONNECTIONS

Development partners such as the World Bank and the German International Development Agency (GIZ) have noted several hydropower transactions that could be supported by Power Africa to increase MW production.

Through a U.S. Trade and Development Agency (USTDA) grant, companies such as Fluidic, an energy storage company, plan to bring more energy to rural areas that are not currently serviced with power.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, over 140 private companies, and 16 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa’s goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

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