

OMDF kick starts grant programme by funding twelve solar distribution companies in Madagascar

- OMDF's first call for projects resulted in the signatures of twelve grant contracts for result-based finance.
- OMDF's partner companies aim to distribute more than 900,000 quality products by June 2024, with more than 30% distributed in regions that are especially affected by poverty.
- These distribution objectives correspond to an estimated result-based financing of \$28 million that can be disbursed.
- OMDF has launched a second call for projects for its result-based finance facility.

Antananarivo, 22. April 2021 – The Off-Grid Market Development Fund (OMDF), the fund accelerating sustainable access to electricity in Madagascar, financed by the Malagasy Government with support from World Bank, today announces the signatures of grant contracts with twelve solar distribution companies under its result-based finance (RBF) facility in a major step towards the development of a thriving solar off-grid market in Madagascar.

The companies expect to distribute more than 900,000 quality solar lanterns and market-entry Solar Home Systems (SHS) by June 2024. They aim to distribute more than 30% of the products in regions in which more than 80% of the population lives below the poverty line.

If those distribution targets are reached, the total result-based finance subsidy that will be paid out to those companies will be \$28 million. \$2.5 million will be disbursed upfront as a pre-payment to support the companies in launching the distribution of solar products in Madagascar.

OMDF aims to accelerate sustainable access to electricity in Madagascar through off-grid solar solutions, from solar lanterns to market-entry Solar Home Systems (SHS). The fund is managed by Bamboo Capital Partners in partnership with Société Générale Madagascar.

RBF grants support off-grid solar distributors in developing their operations in Madagascar. The grants subsidise companies that offer quality products and services, with additional incentives for those offering end-customer financing solutions via pay-as-you-go models or through MFIs. The grant facility also helps new market participants overcome entry barriers through a partial prepayment of the RBF grant.

OMDF also launched a loan facility. OMDF's credit offering specifically finances working capital, stock building of quality products and end consumer financing. It will also contribute to creating credit history in the energy access sector in Madagascar to attract further private sector financing to solar distributors.

Jacquis Randriamahazomanna, Project Coordinator for LEAD: *"The project to develop low-cost access to electricity, through the OMDF fund manager, Bamboo Capital Partners, is now operational, after a year of intense preparation and despite the Covid-19 pandemic. The joining of partner companies is very promising for the development of the solar market in Madagascar."*

Christian Schattenmann, Fund Manager at Bamboo Capital Partners commented: *"The large number of companies participating in OMDF'S subsidy programme shows that Madagascar is an exciting market for solar distributors. It also shows that OMDF's RBF facility is attractive, and addressing the real bottlenecks and needs of the sector. We are committed to supporting all eligible market players so that hundreds of thousands of households and SMEs in Madagascar can access clean, reliable and affordable electricity."*

Katja Tauchnitz, Senior Investment Manager for OMDF added: *“I am particularly pleased with the diversity of OMDF’s partner companies. In addition to distributors that are well established in the market, OMDF will also work with companies that are new to the distribution of quality solar products. Their varied and innovative distribution strategies cover all of Madagascar, including remote areas, to serve the entire population.”*

The following distributors of solar products are benefiting from a grant contract with OMDF:

- Baobab+
- EcoGemmat
- EDM
- HERi Go
- HERi Madagascar
- Jiro-Ve
- Jovena
- LR Technologies
- Metaplasco
- Orange
- Telma
- Welight

OMDF is now again accepting new grant applications. More information can be found on OMDF’s website under www.omdf.mg.

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Media Contacts:

For Bamboo Capital Partners:

Lewis Hill
+44 78 3767 4600
bamboo@instinctif.com

Notes to Editors

About Bamboo Capital Partners:

Bamboo Capital Partners (“Bamboo”) is an impact investor specialised in emerging and frontier markets. Bamboo works with development agencies and financial institutions to develop innovative financing solutions that deliver lasting impact at scale through its range of catalytic, commercial and blended impact funds. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo creates growth opportunities for the world’s most marginalised communities, while delivering risk-adjusted financial returns. To date, Bamboo has raised USD\$400m and invested in 80 companies worldwide. Bamboo’s investments have positively impacted the lives of 184 million people and supported 45,000 jobs, including 16,000 jobs for women. The Bamboo team comprises of 30 professionals active across Europe, Latin America, Africa and Asia. Bamboo also acts as the Asset Management arm of global impact firm Palladium, which operates in over 90 countries, following a strategic partnership in 2020. For more information, please visit www.bamboocp.com or follow @bamboocp.

About OMDF:

The Off-Grid Market Development Fund (OMDF) is part of the LEAD project (“Least-Cost Electricity Access Development Project”), an initiative of the Malagasy Government, led by the Ministry of Energy and Hydrocarbons (MEH) and financed by the World Bank. OMDF aims to accelerate access to



electricity in Madagascar through off-grid solar solutions and has the ambition to support the electrification of at least 300 000 households and SMEs in Madagascar until June 2024. The fund is capitalised with USD 40 Million and offers two types of financing to solar market players to reach its goals: a result-based finance facility (RBF facility) and a credit line to off-grid solar companies and financial institutions that finance solar distributors and/or their customers. Bamboo Capital Partners has been appointed as manager of the OMDF and has itself entered into a partnership agreement with Société Générale Madagascar. For more information, please visit www.omdf.mg.