COMESA Competition Commission
Kang'ombe House, 5th Floor
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 111 772 466/529/530
Email- compcom@comesacompetition.org

Common Market for Eastern and Southern Africa

Case File No. CCC/MER/07/26/2025

Decision[1] of the 121st Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Acquisition of joint control by EDF Renouvelables International over Compagnie Générale d'Hydroélectricité de Volobe, AFRICA50 Project Development and NEA Volobe Limited

ECONOMIC SECTOR: Energy

COMESA COMPETITION COMMISSION
10 NOV 2025

10 November 2025

[1] In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

The Committee Responsible for Initial Determinations,

Desirability of the overriding objective of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**Treaty**"), namely the strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration;

Cognisant of Article 55 of the Treaty;

Having regard to the COMESA Competition Regulations of 2004 (the "**Regulations**"), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the "**Rules**");

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State.

Determines as follows:

Introduction and Relevant Background

1. On 8 August 2025, the COMESA Competition Commission (the "**Commission**") received a notification regarding the proposed acquisition of joint control by EDF Renouvelables International ("**EDFRI**", ultimately controlled by Electricité de France SA "**EDF SA**", with its subsidiaries, the "**EDF group**") over Compagnie Générale d'Hydroélectricité de Volobe (the "**CGHV**" or the "**target**"), along with Africa50 Project Development ("**Africa50**") and NEA Volobe Limited ("**NEA Volobe**", ultimately controlled by Axian Energy together with its subsidiaries, "**Axian Energy**"), pursuant to Article 24(1) of the Regulations.

2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.

3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

The Parties

EDFRI

4. EDFRI is a simplified joint-stock company incorporated under the French law. EDFRI is ultimately controlled by Electricité de France SA ("**EDF SA**"), together with its subsidiaries, the "**EDF group**". EDF SA, a French State-owned company active in the production of electricity.

5. The EDF group is active in the generation and wholesale trading of electricity and in the transmission, distribution and retail supply of electricity, as well as in the provision of other electricity-related services, in France and other countries. It is also active, to a lesser extent, in the natural gas markets and the supply of energy services.

6. Within the Common Market, the EDF group is active in Egypt, Kenya, Malawi, and Tunisia.

Africa50

7. Africa50 is an international organization incorporated under the Moroccan law.

8. Africa50 is an infrastructure investment platform that contributes to Africa's growth by catalysing public sector capital, and mobilizing public and private sector financing, and developing and investing in infrastructure and bankable projects on the African continent, with differentiated financial returns and impact. It focuses on medium-to-large-scale projects that have a significant development impact and that provide an appropriate risk-adjusted return to investors.

9. Within the Common Market, Africa50 is active in Egypt, Kenya, Rwanda, and Tunisia.

NEA Volobe

10. NEA Volobe is a private company limited by shares incorporated under the Mauritian law. The parties further submitted that NEA Volobe is ultimately controlled by Axian Energy, the holding company of the Axian pan African brand Energy Cluster and is responsible for managing its affairs. The energy division of Axian has a mission to address the challenge of energy transition in Africa by providing clean, inclusive, and affordable energy to a large number of people.

11. Within the Common Market, Axian Energy is active in Madagascar, Mauritius, and Rwanda.

CGHV (the "target")

12. CGHV is a public limited company incorporated under the Malagasy law. CGHV is established with the mission of development, construction, management, financing, commissioning and maintenance of the Volobe hydroelectric dam project/ power plant/ with a capacity of 121.5 MW and located on the Ivondro River in Madagascar.

13. CGHV will be responsible for the development, construction, management, operation and maintenance of the Volobe hydroelectric power plant in Madagascar. The parties further submitted that CGHV is not yet operational in the Common Market

Jurisdiction of the Commission

14. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

> *"Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or* the *target firm, operate in two or more Member States, shall be notifiable if:*
>
> *a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
>
> *b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State".*

15. The undertakings concerned have operations in two or more Member States. The undertakings concerned held a combined asset value of more than the threshold of USD50 million in the Common Market and they each held asset value of more than USD10 million in the Common Market. In addition, the parties do not derive/hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The CID was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

16. The proposed transaction proposed transaction involves Africa50 and NEA Volobe selling [*confidential*]% of their shares in CGHV to EDFRI, while retaining their

remaining shares. Following completion of the transaction, Africa50, NEA Volobe, and EDFRI will each exercise joint control over the target (CGHV), holding [redacted]%, [redacted]%, and [redacted]% of the shares, respectively.

Competition Analysis

Consideration of the Relevant Markets

17. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the Commission is guided by its Guidelines on Market definition and other authorities on the subject.

Relevant Product Market

18. The CID noted that the that EDF group, through its affiliates, is active in electricity generation from hydropower in Malawi and solar energy in Egypt, and distribution of solar kits in Kenya, among others. Africa50 is active in solar power energy in Egypt, provision of internet services in Kenya, supply of dialysis clinics in Rwanda, and the education sector in Tunisa.

19. The CID noted that target is not yet operational but once operational, it will be active in the generation of electricity through a 121.5 MW run-of river hydropower plant in Madagascar which it will supply to the state-owned entity, JIRAMA. The Commission observed that one of the target's shareholders, Axian Energy, is mainly active in the generation and wholesale supply of electricity in Madagascar.

20. The CID observed from the products of the merging parties that the proposed transaction was likely to raise horizontal overlaps within the Common Market since the merging parties were both active in the generation and wholesale supply of electricity. The CID therefore focused its relevant product market assessment on the generation and supply of electricity in line with the Section 8.4 of the COMESA Merger Assessment Guidelines which provides that "*...in the case of horizontal mergers, the Commission will focus on the overlap between the product and geographic relations supplied by the parties*".

21. The CID noted that electricity generation represents the upstream segment of the electricity supply chain, involving the production of electrical energy at power stations.[2] The electricity generated is subsequently traded on the wholesale market, either to authorised electricity suppliers for resale at the retail level or to large industrial consumers requiring substantial energy inputs.

22. The CID considered its decisional practice that the generation and wholesale supply of electricity as a single relevant product market, on the basis that generation does not constitute an independent economic activity until the

[2] See Decision of 113th Committee Responsible for Initial Determinations regarding the proposed acquisition of SN Power A.S., SN Development B.V. and SN Malawi B.V. by TotalEnergies Renewables SAS.

electricity is sold.[3] This CID considered that this approach reflects the functional interdependence between generation and wholesale trading activities.

23. The CID observes that generation and wholesale supply is distinct from other segments of the electricity sector, specifically transmission and distribution, given the differences in intended use, characteristics and prices which is likely to limit substitutability across the value chain. For instance, generation entails the conversion of various energy sources (hydropower, wind, solar, geothermal, fossil fuels) into electricity; transmission involves the bulk movement of high-voltage electricity via power grids comprising towers, cables, transformers, and monitoring equipment; and distribution concerns the final delivery of electricity to end-users at lower voltages.[4]

24. The CID considered these processes to be technologically and economically distinct and not substitutable. The equipment, investment requirements, and intended purposes at each stage of the value chain differ significantly. For instance, generating electricity requires turbines and generators driven by primary energy sources, whereas transmission requires grid infrastructure and substations, and distribution necessitates local networks for final delivery.

25. The CID further considered potential segmentation according to the source/mode of generation such as from hydropower, wind, solar, geothermal, or fossil fuels. However, the Commission, observed that from a demand perspective, electricity is a homogeneous product irrespective of the generation source.[5] Consumers do not differentiate between electricity produced from renewable or non-renewable sources and the price for electricity is often regulated while the infrastructure for delivery is typically uniform.[6]

26. The CID also observed that the market could be segmented into wholesale and retail supply based on customer characteristics and transaction volumes. Wholesale supply targets distribution companies and large industrial users purchasing in bulk, while retail supply involves smaller volumes for final consumers. The CID observed that the target's activity will going be limited to the

---

[3] See Decision of 113th Committee Responsible for Initial Determinations regarding the proposed acquisition of SN Power A.S., SN Development B.V. and SN Malawi B.V. by TotalEnergies Renewables SAS, decision of the 95th Committee Responsible for Initial Determinations regarding the proposed Merger involving TotalEnergies SE and Total Eren Holding S.A.; and 116th Committee Responsible for Initial Determinations regarding the proposed acquisition by NEA Holding Management of Bangweulu Power Company Limited and Neoen Renewables Zambia Limited.

[4] See Decision of 113th Committee Responsible for Initial Determinations regarding the proposed acquisition of SN Power A.S., SN Development B.V. and SN Malawi B.V. by TotalEnergies Renewables SAS.

[5] See decision 113th Committee Responsible for Initial Determinations regarding the proposed acquisition of SN Power A.S., SN Development B.V. and SN Malawi B.V. by TotalEnergies Renewables SAS, decision of the 95th Committee Responsible for Initial Determinations regarding the proposed Merger involving TotalEnergies SE and Total Eren Holding S.A.; and 116th Committee Responsible for Initial Determinations regarding the proposed acquisition by NEA Holding Management of Bangweulu Power Company Limited and Neoen Renewables Zambia Limited.

[6] See 116th Committee Responsible for Initial Determinations regarding the proposed acquisition by NEA Holding Management of Bangweulu Power Company Limited and Neoen Renewables Zambia Limited.

generation and wholesale supply of electricity pursuant to the sell-purchase agreement with the Malagasy government.

27. In view of the forgoing, and consistent with its decisional practice,[7] the CID defined the relevant product market as ***the generation and wholesale supply of electricity***.

Relevant Geographic Market

28. The CID observed that electricity, once generated, must be transmitted from power plants to end users through a network of transmission and distribution systems. These include national grids, regional interconnections, and local distribution infrastructure. These infrastructure and operational constraints often limit the boundaries of the relevant geographic market.

29. The geographic scope for the generation and wholesale supply of electricity is likely to be national, within possible extension to regional. While cross-border electricity trade is possible and is gradually being pursued in parts of Africa, including within the Common Market, it remains limited in practice. Ethiopia, for instance, has made progress by exporting electricity to Kenya, Sudan, Djibouti, and initiating trial transmissions to Tanzania.[8] However, such instances are relatively rare and depend on significant investment in interconnection infrastructure, as well as strong political and institutional coordination between the participating countries.[9]

30. The CID further observed that to facilitate cross-border electricity trade on a sustained and reliable basis, different African power networks, such as the Eastern Africa Power Pool (EAPP)[10] and the Southern African Power Pool (SAPP)[11] have to be established. However, to be effective such regional power blocks require harmonised grid codes and infrastructures, regional market rules and coordination, and political will or commitment, which is often formalized through inter-governmental agreements, such as memorandums of understanding and joint declarations.

---

[7] See decision 113th Committee Responsible for Initial Determinations regarding the proposed acquisition of SN Power A.S., SN Development B.V. and SN Malawi B.V. by TotalEnergies Renewables SAS, decision of the 95th Committee Responsible for Initial Determinations regarding the proposed Merger involving TotalEnergies SE and Total Eren Holding S.A.; and 116th Committee Responsible for Initial Determinations regarding the proposed acquisition by NEA Holding Management of Bangweulu Power Company Limited and Neoen Renewables Zambia Limited.

[8] see https://www.ebc.et/english/Home/NewsDetails?NewsId=329, accessed on 12 October 2025.

[9] See https://www.iea.org/commentaries/co-operation-across-borders-is-key-to-building-interconnected-power-systems-of-the-future, accessed on 12 October 2025.

[9] Ibid.

[10] See https://eappool.org/, accessed on 12 October 2025. The Eastern Africa Power Pool is a regional institution established in 2005 to coordinate cross-border power trade and grid interconnection among nations of the Eastern Africa region. The EAPP currently has thirteen (13) member countries that signed the Inter-Governmental Memorandum of Understanding and fourteen utilities that signed the Inter Utility Memorandum of Understanding.

[11] See https://www.sapp.co.zw/, accessed on 12 October 2025.

31. In the context of Madagascar, the geographic scope for the generation and wholesale supply of electricity is constrained given the country is an island nation and not likely to be part of the African power networks, namely EAPP or SAPP. Connecting to such regional power networks is likely to be expensive, requiring capital intensive interconnection facilities, such as undersea transmission cables, that would allow for cross-border electricity trade. As a result, electricity generated in Madagascar is likely to be supplied domestically through national infrastructure and with local regulatory oversight.

32. Based on the foregoing and in line with its previous decisional practices[12], the CID considered that the geographic scope for the generation and wholesale supply of electricity is national in scope. The CID observed that the target was developing a hydropower plant that will generate 121.5 MW of electricity from a run-of-river installation in Madagascar, with the intention to supply the electricity within Madagascar.

33. In view of the foregoing, the relevant geographic market for the generation and the wholesale supply of electricity was construed to be national and Madagascar.

Conclusion on Relevant Markets

34. Based on the foregoing assessment, and without prejudice to its approach in similar future cases, the CID has identified the relevant market as ***the generation and wholesale supply of electricity in Madagascar.***

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

35. The CID observed that parties submitted that the target is developing a hydropower plant to generate 121.5 MW of electricity from a run-of-river installation and had signed a Power Purchase Agreement (PPA) with the government owned entity in Madagascar.

36. The parties submitted the estimated market shares by capacity of the major players/competitors in the market for the generation and wholesale supply of electricity in Madagascar in 2024, as presented in Table 1 below.

---

[12] See decision 113th Committee Responsible for Initial Determinations regarding the proposed acquisition of SN Power A.S., SN Development B.V. and SN Malawi B.V. by TotalEnergies Renewables SAS, decision of the 95th Committee Responsible for Initial Determinations regarding the proposed Merger involving TotalEnergies SE and Total Eren Holding S.A.; and 116th Committee Responsible for Initial Determinations regarding the proposed acquisition by NEA Holding Management of Bangweulu Power Company Limited and Neoen Renewables Zambia Limited.

Table 1: Estimated market shares by capacity of players in the generation and wholesale supply of electricity in Madagascar in 2024[13]

	Current capacity		Future capacity	
Competitors	**Volume (in MW)**	**Estimate market share%**	**Volume (in MW)**	**Estimate market share%**
Axian Energy	[confidential]	[10-20	[confidential]	[10-20]
Others (Hydelec, Henri Fraise Fils & Cie, Sunfarming Anka, Hier, Enelec, Filatex, Aksaf, First Energy, Symbion)	[confidential]	[80-90]	[confidential]	[70-80]
CGHV (target) – future planned capacity	N/A	N/A	121.5	[10-20]
Total	[confidential]	**100**	[confidential]	**100**

37. The CID noted that the market for the generation and wholesale supply of electricity in Madagascar has different small players where they command [80-90]% of the electricity capacity supplies. The CID also noted that one of the existing shareholders of the target, namely Axian Energy, generates and supplies [10-20]% of electricity capacity in Madagascar. The CID further observed that the majority of market share is distributed among other players competitors including Hydelec, Henri Fraise Fils & Cie, Sunfarming Anka, Hier, Enelec, Filatex, Aksaf, Firsty Energy and Symbion, which will be among the target's competitors once it starts generation and supply of its electricity capacity into the market.

38. The CID noted that from the parties' submission that the construction of the Volobe hydroelectric power plant (the target) in Madagascar is expected to start in 2026. The power plant will be commissioned 40 months after the beginning of its construction, that is in 2030. The hydropower plant will have an installed capacity of 121.5 MW, leading the total national capacity to be [confidential] MW. Thus, following the completion of the proposed transaction, the target will have a [10-20]% market share, indicating that the target will not be a dominant player in Madagascar, post-implementation of the proposed transaction.

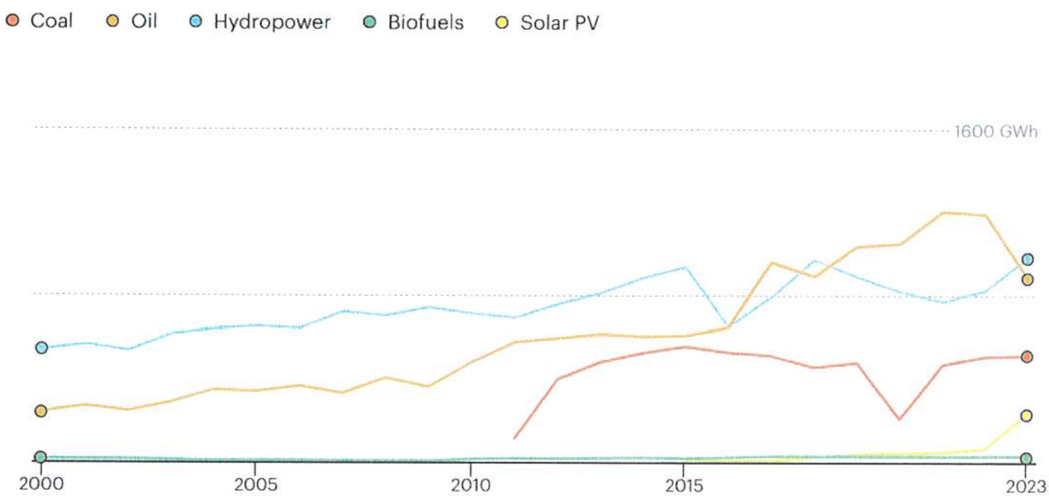
39. According to a report from the International Monetary Fund, the electricity sector in Madagascar is characterized by low access rates, where only about 36% of the

[13] Information claimed as confidential by merging parties.

population connected to electricity, the total electricity consumption per capita is one of the lowest globally.[14]

40. The CID further observed that the electricity generation in Madagascar relies on a mix, with roughly above half of the installed capacity coming from hydropower and oil. As can be seen from the Figure 1 below, the largest sources of electricity generation in Madagascar, as of 2023, were hydropower and oil each covering 37.3% and 33.5% respectively.[15]

Figure 1: Evolution of electricity generation in Madagascar since 2000[16]



41. The CID observed that Madagascar possesses vast, largely untapped potential in hydropower and abundant solar energy. In 2023, the economically feasible potential hydroelectric power is estimated at 7,800MW with only 3 percent currently used, and there is also unused potential with solar energy (2,800 hours of sun estimated annually) and potential wind energy, which are estimated at 2,000MW.[17] The CID considered that this was an indication that there is a huge potential for capacity generation of electricity while there is a huge shortage of electricity supply in the economy which is likely to attract potential entrants into the market.

42. The CID further noted that the transmission and retail distribution of electricity in Madagascar is primarily handled by the state-owned utility, Jiro sy Rano Malagasy (JIRAMA), which is the primary buyer (off-taker) for electricity generated by private Independent Power Producers (IPPs) under PPAs. The CID further noted a growing number of smaller private mini-grid and off-grid operators are increasingly active, particularly in rural electrification efforts, marking a key area for future

[14] See https://www.elibrary.imf.org/view/journals/018/2025/026/article-A001-en.xml, accessed 13 October 2025.
[15] See https://www.iea.org/countries/madagascar/electricity, accessed on 13 October 2025.
[16] Ibid.
[17] See https://www.elibrary.imf.org/view/journals/018/2025/026/article-A001-en.xml, accessed 13 October 2025.

sector growth and liberalization. This indicates that these players are likely to be the potential competitors of the merged entity.

43. From this reason, the CID noted that the market would be unaffected as the target is not yet operationalised, coupled with the growing number of smaller private mini-grid and off-grid players. This indicates that the current competitive landscape of the generation and wholesale supply of electricity market in Madagascar is unlikely to change following the proposed transaction. As a result, the merged entity will continue to face competition from existing players and potential new entrants.

44. Accordingly, the CID observed that there will not be market share accretion as a result of the transaction as the target is not operational and given that the acquirer does not have presence in Madagascar, and there will thus be no change to the market structure. Further, the merged entity will continue to face pressures from other competitors. Thus, the proposed transaction was unlikely to negatively impact competition in the relevant market.

Determination

45. The CID therefore determined that the merger was not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction was unlikely to negatively affect trade between Member States.

46. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 10th day of November 2025

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah