Global Gateway

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Mobilising Renewable Energy Investments

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# Lesotho Renewable Energy Sector – Investment Snapshot & Emerging Opportunities

**Lesotho's Renewable Energy Sector**

Lesotho's energy sector presents strong opportunities for renewable energy investment. Despite significant domestic renewable energy potential, the country remains highly dependent on imported electricity, with around half of national demand still met through imports, primarily from South Africa. At the same time, domestic generation is already almost entirely renewable, creating strong political commitment to further expand clean energy generation and reduce import dependence. The Government of Lesotho has prioritised renewable energy as a strategic pathway to improve energy security, strengthen regional power trade through the Southern African Power Pool (SAPP), and support sustainable economic growth. Lesotho has approved its national plan under Mission 300, reinforcing its commitment to accelerated electrification and investment-ready sector reforms.

**SECTOR SNAPSHOT**

**PEAK DEMAND**
≈204 MW

**INSTALLED CAPACITY**
≈105 MW
(72 MW hydro + 30 MW solar PV

**IMPORT DEPENDENCE**
≈ 50%

**ELECTRIFICATION RATE**
≈50%
with major rural electrification gaps remaining

In parallel, work on the new Energy Policy, Integrated Resource Plan (IRP), IPP Framework, power procurement rules, and the Lesotho Electrification Portal is improving transparency, planning, and predictability for investors while creating clearer pathways for private sector participation.

GET.transform is co-funded by

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Norway

Ministry of Foreign Affairs of the Netherlands

Sweden
Sverige

International Partnerships
Austria

# Sector Updates & Project Pipeline

### Pipeline

Lesotho's renewable energy pipeline is moving from policy ambition toward bankable project development, with increasing private sector participation and stronger institutional readiness for Independent Power Producers (IPPs). Key projects currently advancing include:

- **Hirundo Wind Project (60 MW):** Lesotho's first utility-scale wind farm and first wind IPP, expected to generate approximately 140 GWh annually and mobilise around EUR 90 million in private investment.
- **Ramarothole Solar PV Phase II (50 MW + BESS):** Building on the successful commissioning of the first 30 MW phase, Phase II will strengthen domestic generation capacity and improve grid reliability through battery storage integration.
- **NEO 1 Solar PV Project (24 MW):** Developed by OnePower Lesotho, this project represents another important step in expanding privately financed solar generation.
- **Floating Solar at Katse and Mohale Dams:** Preparatory work is ongoing for large-scale floating solar development with strong potential for DFI and Global Gateway financing.
- **Ha Mofoka Transmission Corridor:** Strategic transmission expansion to connect new generation projects, improve grid reliability, and strengthen regional power trade through SAPP integration.

The broader private renewable energy IPP pipeline represents an estimated investment opportunity of approximately EUR 280 million by 2030, covering around 285 MW of planned private generation capacity and creating a strong first-mover opportunity for early investors.

**Recent Sector Updates (Q2 2026)**

- **Groundbreaking for the Ramarothole Phase II hydropower project has taken place, with construction expected to commence in August 2026.** The Power Purchase Agreement tariff between LEGCO and LEC has also been agreed, marking another key milestone towards project implementation.
- **The Government of Lesotho and Hirundo Energy have signed a Memorandum of Agreement for the proposed wind farm in Mohale's Hoek,** demonstrating continued progress towards the country's first utility-scale wind project.
- **The Distributed Generation Framework has is being presented to Cabinet for approval,** paving the way for clearer rules and greater private sector participation in rooftop solar and other distributed renewable energy systems.
- **The Grid Integration Capacity Assessment has been completed,** providing LEC and sector stakeholders with a clear understanding of the electricity network's capacity to accommodate additional variable renewable energy and informing future generation planning.
- **LEAD 2026 was successfully convened,** bringing together government, development partners, financiers and the private sector to accelerate implementation of sector reforms. During the conference, the Minister of Energy reaffirmed the Government's commitment to securing adoption of the new Energy Bill within the coming months.

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# Priority Investment Opportunities

Building on recent sector reforms and increasing project momentum, Lesotho offers concrete investment opportunities across generation, transmission and decentralised energy access. The country's strong renewable resource base, combined with growing domestic demand and regional market access through SAPP, creates multiple entry points for private sector participation and strategic partnerships

## UTILITY SCALE GENERATION

*Strong renewable resources and a growing project pipeline create clear opportunities for private investment.*

**KEY OPPORTUNITIES**

**SOLAR PV**
High solar resources with strong pipeline, including NEO 1 (24 MW) and Ramarothole Phase II (50MW + BESS)

**WIND POWER**
Great wind potential, Hirundo Wind Project (60 MW) advancing as Lesotho's first utility-scale wind IPP

**HYBRID & STORAGE SOLUTIONS**
Integration of battery storage to enhance reliability and enable greater renewable energy penetration



**BUSINESS MODELS**
IPP/Build-Own-Operate
Long-term PPA with LEC

## TRANSMISSION & REGIONAL INTEGRATION

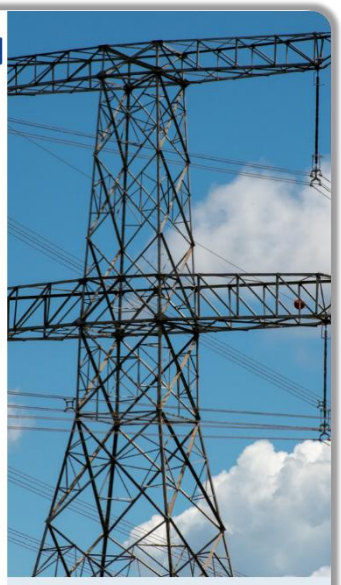
*Reliable grid infrastructure enabling renewable energy growth and regional trade.*

**KEY OPPORTUNITIES**

**GRID EXPANSION**
Investment in transmission lines, substations and grid upgrades to connect new generation

**SYSTEM RELIABILITY**
Grid strengthening to improve stability, reduce curtailment and enhance energy security

**PRIVATE SECTOR DELIVERY**
Strong project pipeline creates opportunities for EPCs, investors and equipment suppliers



**BUSINESS MODELS**
EPC, Turnkey, Concessions, Public–Private Partnerships

## DECENTRALISED ENERGY ACCESS

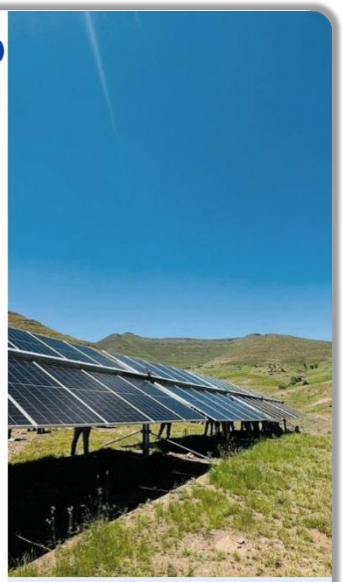
*Clean, reliable power solutions expanding access and supporting local development*

**KEY OPPORTUNITIES**

**MINI-GRIDS**
Mini-grid capacity planned to double in the next 5 years

**OFF-GRID SOLAR**
SHS rollout to scale beyond current ~1,000 sales per year under M300

**CLEAN COOKING**
80,000 households targeted for clean cookstoves in the next 5 years



**BUSINESS MODELS**
Mini-grid IPP, PAYGo / ESCO Models

## TECHNOLOGY PARTNERSHIPS

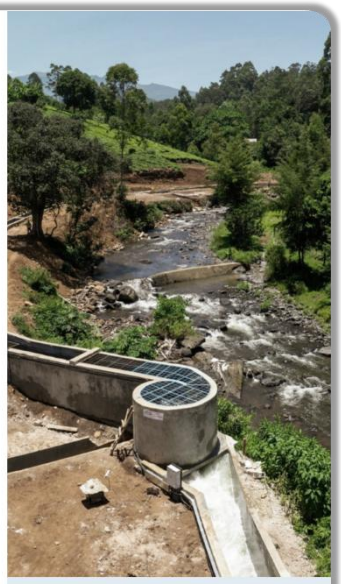
*Partnering to deliver innovative and sustainable energy solutions*

**KEY OPPORTUNITIES**

**EPC PARTNERSHIPS**
Design, engineering and construction partnerships with local developers and utilities

**CLEAN TECHNOLOGIES**
Solar, wind, storage, smart grids and digital solutions to improve performance

**INNOVATION & PILOTS**
Pilot projects with strong potential for scale and regional replication



**BUSINESS MODELS**
Joint Ventures, Licensing, EPC Partnerships, Service Agreements, R&D

## Investment Support & Next Steps

Through the **Renewable Lesotho** programme, GET.transform and GET.invest provide coordinated support to both public institutions and private investors to help structure and accelerate renewable energy projects.

**European Fund for Sustainable Development Plus (EFSD+)**
EFSD+ is the EU's main financing instrument under Global Gateway, using guarantees and blended finance to reduce investment risks and improve bankability. In Lesotho, it can support renewable energy investments such as IPPs, mini-grids and clean cooking through partners such as EIB, EDFI and ElectriFI.

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- **Navigation** of the regulatory and institutional framework
- PPA advisory and **utility transaction support**
- **Coordination with public institutions** including DoE, LEC and LEWA
- Support for project preparation under Mission 300 and Global Gateway priorities

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- **Finance Access Advisory** for project development and investment readiness
- **Project Development Documentation** (PDD) support
- **Investor matchmaking** and strategic introductions
- **Access to domestic financing** through EDGE Finance
- **Linkages to EU financing instruments** including ElectriFI, EFSD+ and blended finance opportunities

## UPCOMING EVENTS

**Energy Sector Coordination Forum**
November 2026
tbc, Maseru

**Mid-LEAD Workshop**
February 2027
tbc, Maseru

## CONTACTS


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## USEFUL RESOURCES

- LESOTHO ELECTRIFICATION PORTAL
- LESOTHO ENERGY DATA – Under development
- DEPARTMENT OF ENERGY
- GET.invest – Apply
- GET.invest – Market Assessment