



Press Release
15th October 2020

GreenYellow, Axian, Societe Generale, GuarantCo and African Guarantee Fund close MGA 73.8 billion (EUR 16.2 million/USD 19 million) transaction to support the debt funding of the largest solar power plant in Madagascar and accelerate the country's green energy transition

GreenYellow, an operator of green energy in Madagascar, Axian, an impact-oriented Pan-African group with holdings in various sectors and countries, Societe Generale, GuarantCo, the guarantee arm of the Private Infrastructure Development Group (PIDG) company and African Guarantee Fund have closed a MGA 73.8 billion (EUR 16.2 million/USD 19 million) transaction to support the debt funding of the 20 MW solar photovoltaic power plant in Ambatolampy. This power plant is the largest in the country and was operated and built by GreenYellow. It has been operational since 2018.

To make this transaction possible, Axian acquired 51 percent of the solar plant's shares in June 2020. Societe Generale, acting as sole arranger and co-lender with BNI and BMOI, raised EUR 16.2 million / USD 19 million debt. GuarantCo and the African Guarantee Fund provided additional support with guarantees of MGA 36.9 billion (c. USD 9.3 million) and MGA 14.8 billion (c. USD 3.8 million) respectively.

In addition to injecting capital into the Ambatolampy solar plant, the transaction will also empower GreenYellow and AXIAN partnership to accelerate investments in new greenfield projects in Madagascar, and make them a key contributor to the country reaching its objective of an 80 percent renewable energy mix by 2030 and improving its energy security.

Madagascar's energy mix is presently dominated by heavy fuel oil and diesel. The government-owned, vertically-integrated utility that operates most of the country's power grid requires the private sector's involvement to address the chronic shortage of electrical access. Private developers, such as GreenYellow and Axian, will not only expand access to renewable energy in Madagascar but they will also offer a more stable supply of energy, allowing the country to progress greatly toward the United Nations Sustainable Development Goal 7 (affordable and clean energy).

The plant is also a major contributor to the reduction of carbon emissions in Madagascar, reducing emissions by 17,000 tons of CO₂ per year.

The transaction will thus help provide access to clean, affordable and reliable energy to households and companies, create local jobs and stimulate wider economic development.

Otmane Hajji, CEO at GreenYellow, said: “With this transaction and this new partnership, GreenYellow is reinforcing its strong presence in Madagascar and in the Indian Ocean, where we are already the first producer of clean energy. The refinancing of the Ambatolampy power plant will allow GreenYellow and Axian to go further and finance the development of future renewable energy projects in Madagascar.”

Hassanein Hiridjee, CEO of Axian Group, said: “The Axian Group is proud to participate in this major project. It reaffirms our determination to providing wider access to clean and affordable energy, and to contributing to many economic and energy objectives in Madagascar all at once.”

Laurent Goutard, Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas at Societe Generale, said: “Financing the renewable energies sector is one of Societe Generale group main commitments and is fully in line with [“Grow with Africa”, the strategic plan for the African continent](#). Pulling expertise and resources from our local branch, supported by our dedicated structured finance platform in Ivory Coast, we are very proud to be the sole arranger of this transaction.”

Lasitha Perera, CEO at GuarantCo, said: “GuarantCo’s involvement will help to increase private sector activity in the Malagasy renewable energy sector by reducing the high costs of funding, contribute to creating an enabling environment for private, domestic, local currency financing and support project development. The transaction is helping to crowd in three private sector banks to lend to a solar power plant and is playing a major role in building the capacity of these local banks to finance these types of projects which is key for the development of future projects in Madagascar.”

Jules Ngankam, CEO of African Guarantee Fund, said: “Renewable energy is among the priority investment sectors of AGF. We are delighted to co-guarantee this power plant with GuarantCo and to ultimately contribute to the achievement of renewable energy mix in Madagascar. Through this partnership, we will increase our mandate in Madagascar, where we have so far unlocked USD 21 million of SME financing and created more than 1000 jobs.”



The largest Malagasy ground-mounted solar plant of Ambatolampy built by GreenYellow (20 MWP)

Note to editors

Madagascar is an OECD (Organisation for Economic Co-operation and Development) DAC1 country defined by the United Nations as one of the Least Developed Countries (LDCs) in the world. The country is one of the world's highest priority countries for biodiversity conservation due to its exceptional species richness, high number of unique plant and animal species; and the magnitude of threats facing these ecologically, culturally, and economically valuable resources.

Key media contacts

GreenYellow

Julie Dorel
Marketing & Communication Director
jdorel@greenyellow.fr
+33 (0)6 37 52 30 18

Societe Generale

Thomas Alexandre
Media Relations Manager
thomas.alexandre@socgen.com
+33 (0)1 42 13 34 37

GuarantCo

Marjolein van Kampen
Communications Director
marjolein.van-kampen@guarantco.com
+44 (0)738 8857097

Axian Group

Jean-Denis Boudot
Head of Communication
Jean-denis.boudot@axian-group.com
+261 34 07 042 70

African Guarantee Fund

Diana Aluga
Group Communication & Public Relations
diana.aluga@agf.africa

About GreenYellow

In 13 years, GreenYellow has become a major energy player in France and abroad, and a real ally for companies and local authorities.

An expert in photovoltaic production, energy efficiency solutions and energy services, GreenYellow offers its clients a cross-cutting platform of solutions across the entire energy value chain to make their energy transition a beneficial and committed reality.

The company currently has over 250MW of installed powerplants and operates more than 2,500 energy performance contracts worldwide. www.fr.greenyellow.com

About Axian Group

Born in Madagascar 150 years ago, Axian is a diversified group present in 5 sectors with strong growth potential: real estate, telecoms, financial services, energy and innovation. With more than 4,900 employees in the Indian Ocean and Africa, Axian is a partner in the economic transformation of emerging countries and, through its activities, systematically brings a sustainable and positive impact on the daily lives of the greatest number of people. Convinced that energy is a primary necessity, Axian supports Green Yellow Madagascar in its innovations to provide access to reliable, affordable and sustainable solutions. As a Participant of the United Nations Global Compact, Axian adheres to its principles-based approach to responsible business. www.axian-group.com

About Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions. Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 138,000 members of staff in 62 countries and supports on a daily basis 29 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index. For more information, you can follow us on Twitter [@societegenerale](https://twitter.com/societegenerale) or visit our website www.societegenerale.com

About GuarantCo

GuarantCo mobilises private sector local currency investment for infrastructure projects and supports the development of financial markets in lower income countries across Africa and Asia. GuarantCo is part of the Private Infrastructure Development Group (PIDG) and is funded by the governments of the United Kingdom, Switzerland, Australia and Sweden, through PIDG, and the Netherlands, through FMO and PIDG. GuarantCo is rated AA- by Fitch and A1 by Moody's. GuarantCo's activities are managed by GuarantCo Management Company which is part of Cardano Development. www.guarantco.com

About PIDG

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 157 infrastructure projects to financial close and provided 209 million people with access to new or improved infrastructure. PIDG is funded by six governments (the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC. www.pidg.org

About African Guarantee Fund

African Guarantee Fund is a non-bank financial institution whose objective is to promote economic development, increase employment and reduce poverty in Africa by providing financial institutions with guarantee products and capacity development assistance specifically intended to support SMEs in Africa. African Guarantee Fund was founded by the government of Denmark through the Danish International Development Agency (DANIDA), the government of Spain through the Spanish Agency for International Cooperation and Development (AECID) and the African Development Bank (AfDB). Other shareholders include: French Development Agency (AFD), Nordic Development Fund (NDF), Investment Fund for Developing Countries (IFU) and KfW Development Bank (KfW). AGF has a rating of AA- by Fitch Ratings Agency. www.africanguaranteefund.com