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the Private Infrastructure
Development Group



NEA, AXIAN group, GreenYellow, GuarantCo, African Guarantee Fund and Societe Generale, closed a MGA 47.1 billion (c. EUR 10 million) credit facility to support the debt funding of the largest solar power plant in Madagascar and Indian Ocean.

Press release – 17 January 2023

NEA (New Energy Africa), an operator of renewable and hybrid energy in Africa and part of AXIAN group, GreenYellow, the Indian Ocean leader in Photovoltaic industry with more than 100MWp of installed capacity, GuarantCo, part of the Private Infrastructure Development Group (PIDG), African Guarantee Fund (AGF) and Societe Generale have provided the NEA Ambatolampy solar farm closed a MGA 47.1 billion (c. EUR 10 million) credit facility covered by a credit guarantee with a nine-year tenor to a syndicate of local banks to finance a 20 MW solar plant extension alongside a 5 MWh solar battery storage system. Societe Generale acted as the main lender. GuarantCo provided a guarantee of MGA 23.6 billion (c. EUR 5 million) and AGF a guarantee of MGA 9.4 billion (c. EUR 2 million).

This is the second phase of an existing 20 MW solar power plant operation that Societe Generale, GuarantCo and AGF helped refinance [in 2020](#). AXIAN Group and GreenYellow now operate NEA Ambatolampy a solar power plant with a 40 MW capacity and a 5MWh battery-storage capacity, making it the largest solar power station in the Indian Ocean.

The project will provide improved electricity access to around 285,000 people supporting SDG 7 and reduce emissions by 34,000 tonnes of CO₂ through the displacement of thermal power supporting SDG 13. Only 15 percent of the population have access to electricity with considerable disparity between urban (79 percent) and rural (8 percent) areas.

GuarantCo has been the first company to mobilise local currency from commercial banks for utility scale solar projects in Madagascar. Through demonstration and replication, this is expected to enhance the resilience of the power sector by diversifying away from thermal power, reducing the cost of generation and improving the sustainability of the state-owned electric utility and water company in Madagascar.

For the first transaction [in October 2020](#), GuarantCo provided a MGA 36.9 billion (USD 9.3 million) guarantee and AGF a MGA 14.8 billion (c. USD 3.8 million) guarantee to refinance the operational 20 MW NEA Ambatolampy solar power plant, the first grid connected and largest solar plant in Madagascar. This 20 MW power / 5 MW battery extension is testimony to the replicability of such projects and the viability of local currency financing for solar plants in Madagascar.

GuarantCo has played an active role in shaping the transaction with its ability to mitigate risks and lower the cost of financing. This has led to additional local capital becoming available through Societe Generale Madagasikara and BNI Madagascar.



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Benjamin Memmi, CEO of AXIAN Energy, said: “We are privileged to again work with Societe Generale, GuarantCo and AGF towards this utility-scale project that aligns with Sustainable-Development Goals and will improve hundreds of thousands of Malagasy people’s quality-of-life. This closing strongly embodies our shared values and commitment to energy inclusion in Madagascar.”

Pierre Marouby, CEO of GreenYellow Indian Ocean, said: "The completion of this transaction demonstrates the commitment of our financial partners and reaffirms their confidence in GreenYellow and our business model. With this new financial achievement, GreenYellow reinforces its strong presence in the Indian Ocean, where we are already the leading producer of photovoltaic energy.”

Layth Al-Falaki, CEO of GuarantCo, said: “We are delighted to have closed a second local currency transaction with NEA. Both transactions have helped to crowd in private sector banks to lend to solar power projects and played a major role in building the capacity of these banks to finance clean energy projects that are key for the sustainable development of Madagascar. Most importantly, our guarantees will help provide access to affordable clean energy for people and companies in Madagascar, create local jobs and stimulate wider economic development.”

Jules Ngankam, Group CEO of African Guarantee Fund, said: “Together with GuarantCo, our initial credit guarantee to NEA has provided access to clean, affordable and reliable energy to households and companies in Madagascar, whilst creating local jobs and stimulating wider economic development. As the largest solar power plant in Madagascar, NEA Ambatolampy will now have even more significant impact in accelerating the country’s green energy transition. Thanks to this second guarantee line which has helped double the capacity of the NEA Ambatolampy plant, AGF is delighted to support Madagascar’s sustainable economic development.”

Zdenek Metelak, CEO of Societe Generale Madagasikara, said: “Société Générale is very happy to have finalized the second phase of this landmark transaction. This emphasizes the very specific position the bank holds in Madagascar being able to structure complex operations and stand-by on the long run beside its clients. This innovative financing is part of the Grow With Africa initiative launched by Societe Generale Group 6 years ago and illustrates the major role we play to build a sustainable future in Africa.”



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About NEA

NEA (New Energy Africa) is an entity that specializes in the development of infrastructure for renewable and hybrid energy production across the African continent. Acting for the benefit of companies and energy distributors, NEA participates actively in the energy transition and the transformation of our society. The company offers energy solutions to commercial and industrial market companies, including mines and industrial sites isolated.

NEA is the newest brand launch by AXIAN group's AXIAN Energy cluster: www.axian-group.com

About GreenYellow

In 15 years, GreenYellow has become a major player in the energy transition in France and abroad and a true partner of companies and communities.

As an expert in decentralized PV production, energy efficiency projects and energy and electric mobility services, GreenYellow supports its clients throughout the value chain. The company is responsible for the development, funding and operation of infrastructure projects, enabling them to produce local and competitive green power, reduce their energy consumption and fast-track their decarbonization.

Operating in 16 countries on four continents, GreenYellow is constantly innovating to meet today's climate challenges and expand its platform with unique and global offers: www.greenyellow.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 the PIDG Trust, the Netherlands, through FMO and the PIDG Trust, France through a stand-by facility and Global Affairs Canada through a repayable facility. 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 project developer and investor which mobilises private investment in sustainable and inclusive infrastructure in sub-Saharan Africa and south and south-east Asia. PIDG investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to the Sustainable Development Goals (SDGs). PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 190 infrastructure projects to financial close which provided an estimated 220 million people with access to new or improved infrastructure. PIDG is funded by the governments of the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, Germany and the IFC www.pidg.org

About African Guarantee Fund

African Guarantee Fund (AGF) 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. AGF's guarantee products are utilized in 40 African countries.

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



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Agency (AFD), Nordic Development Fund (NDF), Investment Fund for Developing Countries (IFU) and KfW Development Bank (KfW).

AGF is rated AA- by Fitch Ratings Agency. www.africanguaranteefund.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 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** with the SG bank, resulting from the merger of the two Societe Generale and Cr dit du Nord networks, and Boursorama. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services**, with networks in Africa, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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