

Press release

Access to energy in Ivory Coast: Crédit Agricole CIB and Grameen Crédit Agricole Foundation support a project with strong social and environmental impact

February 2020 (France). After several months of work, a securitisation pilot project initiated by Crédit Agricole CIB and Grameen Crédit Agricole Foundation, has been launched in Ivory Coast. It will help to support the access to energy and financial inclusion for the rural populations in Ivory Coast.

A technology-enabled project with a strong impact

Access to energy is one of the major challenges in Africa: more than 620 million people lack access to electricity and continue to use battery-powered flashlights and oil lamps, in spite of the toxic effects on their health and on the environment. This fuel poverty particularly affects rural populations living in areas without access to electricity grid.

The financing of ZECI's (Zola EDF Cote d'Ivoire) "Solar Home Systems" business aims to address this issue by providing solar home systems to off-grid populations in Ivory Coast. ZECI is a company co-founded by EDF and Zola Electric that sells on credit and ensures the maintenance of solar kits to meet the needs of rural off-grid populations. This offer is presented in the form of three-year sale on credit contracts, with payments being made via mobile money and with pay-as-you go flexibility: the customers can adjust the payment over time based on their available income. In order to support the company's development, several financial players joined forces to provide this financing offer in the form of a securitisation structure backed by the receivables arising out of the pay-as-you-go contracts.

An innovative structure

To fund the development of ZECI, a securitisation vehicle (NEoT CI) was created, which purchases and the solar home systems and the sale-on-credit contracts signed with the off-grid customers. This vehicle is owned by the company NEoT Off-Grid Africa, a platform dedicated to investments in off-grid projects in Sub-Saharan Africa, managed by NEoT Capital and controlled by the infrastructure fund Meridiam, with Mitsubishi Corporation and EDF as co-shareholders.

Bankers committed to development

The financing of the vehicle (NEoT CI) was structured in the form of a securitisation by Crédit Agricole CIB, Société Générale CIB and Société Générale Côte d'Ivoire (SGCI), with an equity portion provided by NEoT Off-Grid Africa and a senior loan in local currency of 11.80 billion CFA francs (or about €18 million) granted by SGCI with guarantees provided by the African Development Bank (ADB) and Crédit Agricole CIB.

In addition to participating in the implementation and financing of the project, Grameen Crédit Agricole Foundation will also be in charge of monitoring the project's social and environmental performance.

The senior loan drawdown will be adjusted based on the growth and performance of the portfolio.

This financing will allow ZECI to strengthen its economic model and to increase its impact in rural areas in the Ivory Coast.

Press contacts

Crédit Agricole CIB

Marise Dournes, Press Manager

maryse.dournes@ca-cib.com

Crédit Agricole Grameen Foundation

Carolina Herrera, Director of Communication & Partnerships

carolina.herrera@credit-agricole-sa.fr

For more information

Crédit Agricole CIB

Crédit Agricole CIB is the corporate and investment banking arm of Credit Agricole Group, the 12th largest banking group worldwide in terms of Tier 1 capital (The Banker, July 2019). Nearly 8000 employees across Europe, the Americas, Asia-Pacific, the Middle East and Africa support the Bank's clients, meeting their financial needs throughout the world. Crédit Agricole CIB offers large corporate and institutional clients a broad range of products and services in the capital markets, investment banking, structured financing, commercial banking and international trade businesses. As a pioneer in Climate finance, the Bank has secured a leading position in this segment with a comprehensive range of products and services for all customers.

Crédit Agricole CIB has a long-standing commitment to sustainable development. It was the first French bank to sign the Equator principles in 2003. It also played a precursory role on green bond markets by arranging public offers for issuers of various types (supranational banks, companies, local authorities, banks) starting in 2012, and contributed to the establishment of the Green Bond Principles and the guidelines for social bonds. Drawing on the expertise of its team specialised in sustainable finance and the support of its senior bankers, Crédit Agricole CIB is one of the most active banks on the green bond market.

For more information: www.ca-cib.fr



Crédit Agricole Grameen Foundation

Created at the joint initiative of Crédit Agricole and Nobel Peace Laureate Dr. Muhammad Yunus, the Crédit Agricole Grameen Foundation contributes to the fight against poverty by promoting social-impact entrepreneurship and financial inclusion. Since its foundation in 2018, more than €200 million in loans have been issued to over 100 partners (microfinance institutions and social-impact businesses) working in around 40 different countries.

The Foundation currently supports 85 partners in 39 countries, with a portfolio of €96 million. It primarily targets microfinance institutions serving women and rural populations. These institutions support more than 6 million customers, 80.6% of whom are women and 80.9% of whom live in rural areas.

For more information: gca-foundation.org/.

