

The Off Grid Market Development Fund (OMDF) takes a new major step in the deployment of its financing program by disbursing first lines of credit to two distributors of solar products in Madagascar

- **The Off-Grid Market Development Fund (OMDF) aims to increase access to electricity in Madagascar via off-grid solar energy solutions**
- **OMDF disbursed its first credit lines following the signing of credit contracts with BAOBAB + Madagascar and HERi**
- **OMDF is calling for more applications for results-based grant financing (RBF) and credits**

Antananarivo, 16 February 2022 – The Off Grid Market Development Fund ('OMDF' or 'the Fund'), dedicated to accelerating access to energy in Madagascar and financed by the Government of Madagascar with assistance from the World Bank, today announces the disbursement of its first two loans, to the companies BAOBAB + Madagascar and HERi Madagascar which are both companies supplying Verasol certified solar energy products.

The loans granted to these two companies are intended to help them increase their stocks of certified solar products as well as strengthen their cash flow through “pay-as-you-go” consumer financing solutions (PAYG) offered to final beneficiaries. These loans support the momentum initiated by the Fund through the disbursement of its first grants.

The OMDF credit line is USD 20 000 000 funded and is specifically designed to support solar distributors and financial institutions active in the solar energy sector in Madagascar. The financing offered aims to support the development of solar distributor activities through the refinancing of PAYG receivables and the acquisition of stocks.

The credits are analyzed and implemented thanks to the partnership between Banque Société Générale Madagasikara and the OMDF Manager, Bamboo Capital Partners. Through this partnership, the OMDF and Société Générale teams work in close collaboration from the initial review of applications through to credit disbursement.

To further the Fund's commitment to increasing access to electricity in Madagascar, it is calling on more companies involved in the distribution of quality solar kits to apply for credit and its results-based grants. More information can be found at omdf.mg.

Christian Schattenmann, OMDF Fund Manager, said: *“Access to working capital in local currency is extremely important for companies that have long cash conversion cycles, especially those that provide financing to their end customers. With the first loan disbursements, OMDF is strengthening its central role in the development of a healthy and dynamic off-grid solar sector in Madagascar”.*

Liva Jeannoda, OMDF Investment Specialist, said: *“The OMDF team is very pleased to have been able to disburse the first loans to two companies already active in the distribution of VeraSol certified solar products. This marks a strong step and the continuation of the development already driven by the OMDF grant.”*

Thibault Vallet, Director of Corporate and Institutional Relations at Société Générale Madagasikara, said: *“Société Générale is extremely happy to support the Off Grid Market Development Fund in the financial support it provides to companies working in the distribution of solar products. Through this partnership, we affirm our desire to finance renewable energies, the development axis of our Grow with Africa initiative. The Société Générale team works closely with the OMDF for the success of the Fund.”*



Guilla VENANCE, CEO of Baobab + Madagascar, commented: *“We are proud to have been able to allow more than 100 000 Malagasy households to access energy and thus to have improved their daily lives significantly during our first 5 years of existence, and OMDF through its loan as well as its subsidy constitute a real lever for the achievement of our common objectives.”*

Samy CHALIER, CEO of HERi Madagascar, commented: *Since 2019, the Malagasy Government has implemented an economic and regulatory framework which is favorable to the development of the Off Grid Solar Energy market in Madagascar. The OMDF program comes in addition to the existing system and will allow HERi Madagascar to finance its growth with the aim of impacting the lives of 1 million people in the country by 2025.*

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Notes to Editors:

About OMDF:

The Off-Grid Market Development Fund (OMDF) is part of the LEAD project (“Least-Cost Electricity Access Development Project”), an initiative of the Malagasy Government, led by the Ministry of Energy and Hydrocarbons (MEH) and financed by the World Bank. OMDF aims to accelerate access to electricity in Madagascar through off-grid solar solutions and has the ambition to support the electrification of at least 300 000 households and SMEs in Madagascar until June 2024. The fund is capitalised with USD 40 Million and offers two types of financing to solar market players to reach its goals: a result-based finance facility (RBF facility) and a credit line to off-grid solar companies and financial institutions that finance solar distributors and/or their customers. Bamboo Capital Partners has been appointed as the manager of OMDF and has itself entered into a partnership agreement with Société Générale Madagascar. For more information, please visit www.omdf.mg.

About Bamboo Capital Partners:

Bamboo Capital Partners (“Bamboo”) is an impact investing platform which provides innovative financing solutions to catalyse lasting impact. Bamboo bridges the gap between seed and growth stage funding through a full suite of finance options – from debt to equity – which it activates unilaterally or through strategic partnerships. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo aims to improve the lives of the world’s most marginalized communities while delivering strong financial returns. Since its inception, Bamboo has raised \$450m and invested in over 30 developing countries. Its investees have positively impacted over 193 million lives and supported over 48,000 jobs, including 17,900 jobs for women. The firm has a team of 30 professionals active across Europe, Latin America, Africa and Asia. Bamboo also acts as the Asset Management arm of global impact firm Palladium, which operates in over 90 countries, following a strategic partnership in 2020. For more information, please visit www.bamboocp.com or follow @bamboocp.

About Société Générale Madagascar:

Société Générale Madagasikara bank is a subsidiary of the Société Générale banking group. Société Générale supports 31 million individual and corporate customers worldwide and places innovation and digital technology at the heart of its business to continuously improve the services it offers. Present in Madagascar for more than 20 years, Société Générale Madagasikara combines financial strength with a



sustainable growth strategy, with the ambition to be the relationship bank of reference in its markets, close to its customers, chosen for the quality and commitment of its teams. Based on a diversified universal banking model, Societe Generale Madagasikara supports all categories of customers: corporate, SME/SMI, individual and wealth management customers as well as professionals and institutional investors. The bank currently has a relevant branch network of 63 branches, 8 Espaces Premier and 5 Business Centres throughout Madagascar and employs more than 850 staff. As a committed corporate citizen, Société Générale Madagasikara promotes, on a daily basis, support for education and professional integration, as well as support for the development of Malagasy youth through artistic, sporting and cultural patronage.