



FEI-OGEF loan in Benin and Burkina Faso for Solar Home System market with Qotto advances the Desert-to-Power Initiative.

Press release: The Facility for Energy Inclusion's Off-Grid Energy Access Fund supports Qotto's expansion in Benin and Burkina Faso.

Nairobi, February 18th, 2021 – [The Facility for Energy Inclusion Off-Grid Energy Access Fund](#) ("FEI-OGEF") managed by [LHGP Asset Management](#) ("Lion's Head") announces the close of a €2 million debt investment in Qotto, a leading Solar Home System (SHS PAYGO) distributor in Benin and Burkina Faso.

Qotto co-founder and President Jean-Baptiste Lenoir noted, "Qotto is happy to partner with FEI-OGEF which will help fund our expansion. Lion's Head team has shown a clear understanding of our business model and our in-depth discussions demonstrated they could accompany us in our future development. Thanks to this facility, Qotto will accelerate its development in Benin and Burkina Faso. This facility is also quite innovative in its structure, which comforts the risk assessment by analysing contracted future revenues: this demonstrates that finance tools can be used for positive social and ecological impact."

Joao Duarte Cunha, Head of Division for Renewable Energy at the African Development Bank said, "It is with great enthusiasm that we see deals like this materializing and providing further thrust to our Desert-to-Power initiative for unlocking the Sahel region's massive solar potential. Kudos to Qotto for pushing into remote territories and to FEI-OGEF for their first loan in West African countries. We look forward to seeing this partnership grow and more such deals happening, they are critical to accelerate electrification efforts in the region."

Commenting on the investment, Harry Guinness, Fund Manager for FEI-OGEF at Lion's Head said, "Qotto has shown itself to be a determined and resilient player in two challenging frontier energy access markets. We are impressed by their commitment to customer service and strong local operations, as part of a clearly articulated long term strategy. The recent partnership concluded with Canal+ validates management's vision to widen the product offering and maximise value for clients. OGEF's loan leverages \$0.7m support of the Africa Enterprise Challenge Fund in Burkina Faso, and \$1.8m of the Millennium Challenge Corporation results-based finance commitments in Benin through the Off-Grid Clean Energy Facility. This co-financing investment will support the company into its next growth phase, particularly in Northern Benin and Western Burkina Faso. The transaction represents the first scaled commercial loan to solar home systems companies in these markets – and sets a benchmark that Lion's Head hopes will be used by others evaluating options in the region."

About the Desert-to-Power Initiative

Desert to Power is an ambitious and innovative partnership-driven initiative of the African Development Bank (AfDB) to transform the Sahel region through the deployment of solar technologies, at scale, in eleven countries: Burkina Faso, Chad, Djibouti, Ethiopia, Eritrea, Mali, Mauritania, Niger, Nigeria, Senegal, and Sudan. This programme is set to develop and provide 10 GW of solar energy by 2030, connecting 250 million people to electricity by tapping into the region's abundant solar resource. A Desert to Power taskforce, hosted by AfDB, has been working with countries, donors, and external partners to develop national and regional roadmaps, identify viable projects and mobilize finance. The Facility for Energy Inclusion platform is a Desert-to-Power partner.

About Qotto

Founded in 2016, Qotto is one of the 1,000 efficient solutions for the planet identified by the Solar Impulse foundation. Qotto designs, distributes and finances reliable, clean and affordable solar home systems to rural households and small businesses in Benin and Burkina Faso. The company has already impacted the lives of 20,000 people in the region and plans to reach 600,000 more people in the next 5 years. Qotto optimises most of its processes thanks to innovative Internet of Things and Machine to Machine technologies. The Qotto SHS family product line received VeraSol certification.

About the Off-Grid Energy Access Fund

The Facility for Energy Inclusion's Off-Grid Energy Access Fund offers flexible financing solutions to companies in sub-Saharan Africa that provide affordable renewable energy to communities living off the grid. The Fund invests via a range of debt instruments, including receivables lending, inventory finance, other working capital lending and unsecured corporate debt, in order to increase the availability of local currency debt and build the capacity of local capital markets. FEI OGEF is sponsored by the African Development Bank, and received catalytic investments from the Nordic Development Fund, European Union, All On and KfW that unlocked additional capital from public and private sector investors including the Global Environment Facility, Calvert Impact Capital and Prudential Insurance.

About Lion's Head

Lion's Head is a specialized investment bank based in London, Lagos, Nairobi, New York and Dubai, which provides financial advisory and investment management services across a range of sectors, including agriculture, energy, financial services, and infrastructure with a focus on innovative ways to increase capital markets engagement for businesses and governments in sub-Saharan Africa. As a Fund Manager, Lion's Head has approximately \$500m AUM. In addition to the Off-Grid Energy Access Fund, Lion's Head is the fund manager for the parallel FEI On Grid facility, offering debt on a project finance basis to developers, IPPs and other renewable energy platforms in Africa, and the African Local Currency Bond Fund, created by KfW and supported by FSDA and various DFI and private investors to anchor public debt issuances.

