

Mauritius Commercial Bank Capital Markets advises EnVolt in historic green bond

MCB Capital Markets, the division of MCB group specialising in investment banking, asset management, and principal investments, has provided advisory services to EnVolt for its first issuance of MUR510m (USD11m) green project bonds within the framework of its MUR2bn (USD45m) multicurrency green bond programme.



Source: Supplied.

EnVolt, the renewable energy development arm of ENL group (ENL), a diversified investment holding company in Mauritius, is engaged in the construction of 13 solar roof and ground-mounted facilities across the island with an aggregate capacity of 14 MWh and an estimated project cost of MUR680m (USD15m).

The issuance represents a major milestone for the Mauritian debt capital markets. It is the first time that a renewable energy project is financed by a bond issue. It is also the first green project bond issued under the Green Bond Principles 2021 of the International Capital Market Association (ICMA).

In line with the FSC Guidelines and international best practices, ENL's Green Bond Framework was independently reviewed by Morningstar Sustainalytics. FSD Africa, the UK's financial sector development organisation, provided technical support on the bond programme, as part of its wider green bonds programme.

The bond, which was rated by Care Ratings Africa, raised fixed-rate financing in Mauritian Rupees with a tenor of up to 17

years and attracted a broad investor base comprising banks, asset managers and pension funds. MCB Ltd was the largest investor in the bonds.

The project aligns seamlessly with and contributes to the Mauritian government's ambition to achieve 60% renewable energy production by 2030. As the foremost banking group in Mauritius, MCB fully endorses this initiative, which endeavours to accelerate the country's transition towards renewable energy.

Commitment to green economy

MCB is committed to supporting the transition to a circular and greener economy in line with Mauritius' Nationally Determined Contribution (NDC), and to fostering local production.

Gilbert Espitalier-Noel, chief executive officer the ENL group, said: "Our group positions itself as a major player in the renewable energy sector. Our initiatives align with the national strategy to produce up to 60% of Mauritius' energy needs from renewable sources by 2030.

"Our green bond programme will finance the expansion of our production capacity and enable us to contribute significantly to improve the country's energy mix and energy security."

Pioneering leadership

Rony Lam, chief executive officer of MCB Capital Markets, said: "We are proud to have advised EnVolt on this landmark transaction, which sets international standards for the issuance of green project bonds in Mauritius.

"This transaction reflects the rapid development of the local currency bond market over the past eight years. The deployment of local resources to finance the domestic economy and infrastructure projects is vital to the development of the African continent."

Mark Napier, chief executive officer of FSD Africa, said: "FSD Africa is pleased to have supported everyone involved in this historic green bond issuance by EnVolt, which we hope sets a precedent for further such transactions not only in Mauritius but across the wider SADC region. This will build the strength of domestic African capital markets and, crucially, deliver financing routes for vital energy-transition projects, which can accelerate Africa's energy and climate security."

Charlotte Pierre, UK High Commissioner to Mauritius, said: "International bond markets remain among the most effective and good value options for financing energy transition and major infrastructure investment programmes. We hope that many more African countries will follow the Mauritius example."

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