

Spark+ Africa Fund raises over \$40 million in a first close to invest in clean and modern cooking solutions in Africa

LUXEMBOURG, March 16, 2022 – Today, Spark+ Africa Fund (“Spark+”) launched in partnership with 12 development finance institutions, foundations, family offices, and pension funds as the world’s first impact fund financing clean and modern cooking solutions in developing markets. Read more at www.sparkafricafund.com.

900 million people in sub-Saharan Africa lack clean and modern cooking solutions. Without the electric stoves and piped natural gas prevalent in developed countries, they are forced to spend an estimated \$35 billion annually on unhealthy and polluting open fires, charcoal, and kerosene. According to a World Bank report released in 2020, this generates annual social, environmental, and economic costs of more than \$330 billion in Africa, while the investment required by the private sector to deliver access to modern alternatives would be only \$2.6 billion per year.

To bridge this investment gap, Spark+ will finance pioneering companies that offer life-improving biomass, biogas, ethanol, electric, and LPG-based cooking technologies to low-income consumers. These solutions not only keep families safe and healthy and save them time and money but also have a range of societal benefits including greater gender equality, reduced greenhouse gas emissions and deforestation, and industrial and economic development. Clean cooking is considered to directly impact at least 11 of the 17 UN Sustainable Development Goals.

Spark+ is the first impact investment fund being launched by Spark+ General Partner (“GP”), a joint venture between its Switzerland-based investment advisor Enabling Capital (“EQ”), and Netherlands-based foundation Stichting Modern Cooking (“SMC”). Switzerland-based Woodman Asset Management will act as the fund’s Alternative Investment Fund Manager (AIFM). The fund has a target size of \$70 million.

US-based Clean Cooking Alliance (“CCA”), an initiative of the United Nations Foundation, and its donors including the Norwegian Agency for International Development and the Ministry of Foreign Affairs of the Netherlands, supported the development of Spark+. Development support was also provided by the International Climate Finance Accelerator, sponsored by the Luxembourg government.

Development Finance Institutions investing in the first close include African Development Bank’s Sustainable Energy Fund for Africa (SEFA), Denmark’s Investment Fund for Developing Countries (IFU), and the Belgian Investment Company for Developing Countries (BIO). Foundations and family offices include Ceniarth, Osprey Foundation, Fundacion Netri, and the Ashden Trust. Four major pension funds in Switzerland participated in the first close, including the pension fund of leading insurance company Baloise Group, and GastroSocial, the pension fund of the Swiss hospitality industry. The Fund’s portfolio companies will benefit from multiple sources of complementary Technical Assistance (“TA”) via CCA and SMC, including a TA allocation from BIO.

Xavier Pierluca, Co-Investment Director of Spark+ and Managing Partner of EQ: “It was a profound realization that the cooking methods used by nearly half the global population have remained fundamentally unchanged for thousands of years, and that so many around the world have not benefitted

from the introduction of modern cooking methods. Fortunately, visionary entrepreneurs and new business models and technologies are poised to allow Africa to leapfrog the more centralized technologies of the 20th century in favor of innovative distributed energy solutions, and we are pleased to have collaborated with our partners to launch Spark+. EQ is thrilled to leverage its best-in-class investment management capabilities to accelerate growth in this important space.”

Peter George, Co-Investment Director of Spark+ and Chairman of SMC: “During my leadership of CCA’s private sector program, our team invested heavily in support for Spark+ pipeline companies and in the development of the fund itself, so it is gratifying to deliver a tangible return on that investment with the launch of Spark+. We hope to play a catalytic role in addressing this under-represented component of energy access in Africa and throughout the developing world, and are grateful to our colleagues, investors, donors, prospective portfolio companies, and many others for their steadfast commitment to this initiative. Spark+ exemplifies the power of blending public and private capital to tackle the SDGs in a complex and traditionally underinvested space.”

Dymphna van der Lans, Chief Executive Officer of CCA: “CCA is thrilled to have supported the development of Spark+. We look forward to continuing our close collaboration as the fund begins to deploy capital to many of the companies that have received support from CCA over the last 10 years and are grateful to those who have played a role in launching this innovative fund. We see this launch as a much-needed step toward developing a sustainable and inclusive clean cooking sector.”

Dr. Daniel-Alexander Schroth, Acting Director for Renewable Energy & Energy Efficiency at AfDB: “The African Development Bank is committed to building a sustainable and more climate-resilient future by catalysing private investment in low-carbon solutions. We are pleased that with an anchor investment from the Sustainable Energy Fund for Africa (SEFA), Spark+ Africa Fund has reached its first close, a win for public health, gender equality, the environment, and climate. We look forward to working with our partners on this innovative fund.”

Reik Haahr Müller, Vice President at IFU: “Spark+ is targeting one of the most serious challenges facing rural populations’ health and climate change in Africa. Replacing the use of open fires, charcoal and kerosene with more clean alternatives like processed biomass, biogas and electric will have a profound impact on lowering respiratory health risks and reducing deforestation and GHG emissions. The fund’s blended financing structure is the right approach to speed up the green transition in this sector.”

Camille Fronville, Infrastructure Manager at BIO: “The companies targeted by Spark+ are offering solutions to a complex and multidimensional problem which is mainly affecting women. First and foremost, we must put them at the center of this transition to make sure the cooking solutions of Africa’s future align with their desires and needs, and truly improve their lives.”

About Enabling Capital (EQ): EQ is an investment advisory company with strong ties in the impact investment sector and deep expertise in finance, with its founding partners unique skillsets and 100+ year proven track record. EQ is the exclusive advisor to the Enabling Microfinance Fund and has a global footprint of investment professionals across Europe, Africa, Asia, and Latin America who originate, execute, and monitor investments. EQ is the exclusive advisor to Spark+ and a shareholder in the GP.

About Stichting Modern Cooking (SMC): SMC is a Netherlands-based foundation constituted with financial support from CCA and governed by a management board consisting of cooking sector experts and impact investment professionals. SMC is a shareholder in the GP and a TA partner.

About the Clean Cooking Alliance (CCA): CCA works with a global network of partners to build an inclusive industry that can make clean cooking accessible to all. Established in 2010, CCA is driving consumer demand, mobilizing investment, and supporting policies that allow the clean cooking sector to thrive. CCA supported the fund's development and is a TA partner.

About the African Development Bank Group (AfDB Group): AfDB Group is Africa's premier development finance institution. It comprises three distinct entities: the African Development Bank (AfDB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). On the ground in 41 African countries with an external office in Japan, the Bank contributes to the economic development and the social progress of its 54 regional member states. The Sustainable Energy Fund for Africa (SEFA) is a Multi-Donor Special Fund that aims to unlock private sector investments that contribute to providing universal access to affordable, reliable, sustainable, and modern energy services for all in Africa, in line with the Bank's New Deal on Energy for Africa strategy and SDG 7. www.afdb.org.

About the Investment Fund for Developing Countries (IFU): IFU is a Danish impact investor contributing to green, just and inclusive societies as well as supporting the Sustainable Development Goals. We provide risk capital to companies operating in developing countries across Africa, Asia, Latin America and parts of Europe. Investments are made on commercial terms in the form of equity, loans and guarantees. IFU has co-invested in over 1,300 companies in more than 100 developing countries and emerging markets. Contracted investments total EUR 31 billion, of which IFU has contributed EUR 3.4 billion. Capital under management is EUR 1.7 billion. www.ifu.dk.

About the Belgian Investment Company for Developing Countries (BIO): BIO has a mission to support a strong private sector in developing and emerging countries, and to enable those living in them to gain access to growth and sustainable development within the framework of the Sustainable Development Goals. BIO invests directly and indirectly in private sector projects and does so by using a series of financial instruments, either in Euros, US dollars, or in local currency. It provides equity and quasi-equity, long-term loans, feasibility studies, and technical assistance. BIO has more than EUR 1 billion of capital under management. www.bio-invest.be.

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