

## Spark+ provides USD 2 million to Sumac Microfinance Bank to grow its clean cooking portfolio in Kenya

- **Spark+ Africa Fund** is a pioneering impact fund investing in access to clean and modern energy solutions for cooking in frontier markets across Africa.
- **Sumac Microfinance Bank** is a fast-growing and profitable microfinance institution, with branches throughout Kenya that take deposits and provide consumer credit, including for clean cooking solutions.



LUXEMBOURG, September 13, 2022 – Spark+ Africa Fund

(“Spark+” or the “Fund”) has provided a 3-year, USD 2 million loan to Kenya-based Sumac Microfinance Bank (“Sumac”). Sumac is the second investment since the Fund launched in March 2022.

As one of a variety of credit products, Sumac offers its energy-focused Kawi Loan product which can be used to finance the purchase of improved cookstoves, biogas digesters, and solar systems. For clean cooking solutions, Sumac has partnered with Kenyan cookstove company BURN Manufacturing, and Sistema.bio, a biogas company with operations in Kenya and across multiple continents.

Sumac will use the investment from Spark+ to grow its Kawi Loan portfolio: over the next three years, Sumac aims to finance the purchase of clean cooking solutions for an estimated 15,500 households. Those that acquire a BURN stove can save time and up to USD 80 per year on fuel costs while those that purchase a Sistema.bio biogas digester can displace 100% of their cooking fuel costs and avoid more than USD 30 per month in fertilizer costs, while also powering agri-processing appliances. Both companies’ products can improve health, reduce harmful pollution, and limit the use of wood and charcoal.

**Xavier Pierluca, Investment Director of Spark+ and Managing Partner of EQ:** “Microfinance institutions like Sumac are demonstrating how effective financial intermediaries can be to further access to essential goods and services. It is a pleasure to deepen EQ’s relationship with Sumac, which in addition to providing working capital support to farmers is also contributing the lives of their families with access to clean energy products.”

**Peter George, Investment Director of Spark+ and Chairman of Stichting Modern Cooking:** “This investment demonstrates our commitment to product-agnostic financial intermediaries that play an important role in addressing affordability constraints by focusing on their core competency of consumer lending. Sumac is an excellent example of a well-managed, growing MFI that has created strategic partnerships with market-leading clean cooking companies, and we look forward to supporting Sumac as they scale-up their Kawi Loan portfolio in Kenya.”

**Mary Mukuria, Investment Officer at EQ:** “Whilst clean cooking energy and solutions have unquestionable benefits to households, the upfront or transition costs are not affordable to many. In this respect, financial intermediaries fill a significant gap in the ecosystem by providing consumer financing in the ‘last mile’. We are pleased to partner with Sumac due to the bank’s strategic alignment to offer financial inclusion products for clean cooking adoption.”

**John Njihia, Chief Executive Officer of Sumac:** “We are truly delighted to partner with Spark+ as we aggressively push the clean energy agenda in Kenya. This facility supports our Kawi Loan product which enables us to ensure that our clients, in particular those engaged in agribusiness and dairy farming, can lower their energy costs and secure affordable and reliable clean cooking energy. We look forward to a long term partnership with Spark+.”

**About clean cooking solutions:** 900 million people in sub-Saharan Africa lack clean and modern energy for cooking. 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 2020 World Bank report, 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. Solutions that rely on LPG, ethanol, electricity, biogas, and processed biomass fuels, as well as more efficient biomass stoves, are being commercialized with technology-integrated business models and are enabling underserved consumers to adopt modern energy.

**About Spark+ Africa Fund:** Spark+ is the first impact investment fund launched by Spark+ General Partner (“GP”), a joint venture between its Switzerland-based investment advisor EQ, and Netherlands-based foundation SMC. Switzerland-based Woodman Asset Management acts as the Fund’s Alternative Investment Fund Manager (AIFM). The Fund’s investors include leading development finance institutions, pension funds, family offices, and foundations. The Fund has a target size of \$70 million. The US-based Clean Cooking Alliance (“CCA”), an initiative hosted by the United Nations Foundation, supported the development of Spark+. [www.sparkafricafund.com](http://www.sparkafricafund.com)

**About Enabling Capital:** 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 investment advisor to Spark+ and a shareholder in the GP. [www.enabling.ch](http://www.enabling.ch)

**About Stichting Modern Cooking:** SMC is a Netherlands-based foundation governed by a management board which consists of clean cooking sector experts and impact investment professionals. SMC is a shareholder in the GP and the Fund’s TA partner. [www.moderncooking.org](http://www.moderncooking.org)

**About Sumac Microfinance Bank:** Sumac is a fully licensed bank regulated by the Central Bank of Kenya. Sumac serves approximately 14,000 customers, and manages a portfolio of approximately 3,000 loans totalling USD 13 million. Since its founding in 2004, Sumac has grown to employ 56 staff, 12 of which are loan officers responsible for generating leads for the Kawi Loan product across its 5 retail branches. In May, Sumac received four awards at the Think Business Banking Awards 2022 including Best Agriculture & Livestock Financing, Best Microfinance Bank in Kenya (2<sup>nd</sup> runner up), and Most Efficient Microfinance Bank category (runner up) and the Fastest Growing Microfinance Bank in Kenya (runner up). [www.sumacmicrofinancebank.co.ke](http://www.sumacmicrofinancebank.co.ke)

-End-

For more information, please contact:

Xavier Pierluca: [xavier.pierluca@enabling.ch](mailto:xavier.pierluca@enabling.ch)

Peter George: [peter.george@enabling.ch](mailto:peter.george@enabling.ch)