

 Early Warning System

**MIGA-15185**

KOKO clean cooking projects



## Quick Facts

<b>Countries</b>	Kenya, Rwanda
<b>Specific Location</b>	Nairobi, Mombasa, Kisumu and Nakuru (Kenya); Kigali and subrbs (Rwanda)
<b>Financial Institutions</b>	Multilateral Investment Guarantee Agency (MIGA)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-10-18
<b>Borrower</b>	KOKO Networks Limited
<b>Sectors</b>	Climate and Environment, Energy, Finance
<b>Investment Type(s)</b>	Guarantee
<b>Investment Amount (USD)</b>	\$ 135.00 million



## Project Description

As stated by the MIGA, this summary is related to an application made by KOKO Networks Limited of Mauritius (KOKO) to cover equity and/or shareholder loan investment into KOKO Networks Limited in Kenya (KOKO Kenya) and KOKO Networks Rwanda Limited (KOKO Rwanda), amounting to up to US\$125 million and US\$10 million respectively, against the risks of Transfer Restriction, Expropriation, War and Civil Disturbance and Breach of Contract, for a period of up to 15 years.

The project consists of the operation of clean cooking fuel utility businesses in Kenya and Rwanda through the promotion and distribution of bioethanol-based cookstoves and bioethanol cooking fuel to households, through small and medium-sized enterprises, by KOKO Kenya and KOKO Rwanda, along with the associated generation and monetization of carbon credits.

As of December 2023, KOKO has successfully issued approximately 2,450,000 tons of carbon credits thanks to its operations in Kenya, of which proceeds were mainly used to subsidize the prices of the cookstoves and bioethanol cooking fuel to end-users in the country, a business model that will be applied in Rwanda as well.

The key benefits of the Project include:

- (i) increasing household energy efficiency,
- (ii) reducing deforestation and CO<sub>2</sub> emissions,
- (iii) establishing innovative arrangements for carbon credits with host governments, and
- (iv) demonstrating the commercial viability of inclusive business models.

In terms of household energy efficiency, KOKO supports low-income consumers to replace energy sources such as charcoal and firewood, with a renewable energy source, bioethanol, which its consumers consider more affordable and safer than alternatives. Reducing household reliance on biomass for cooking will reduce consumers' exposure to household air pollutants (HAPs) like carbon monoxide, sulfur oxides, and formaldehyde, which have a direct negative impact on health.

In terms of environmental impacts, the operations will result in CO<sub>2</sub> emissions reductions and reduced deforestation. In addition, the investment framework agreements signed with host governments will ensure KOKO's ownership rights over carbon credits, KOKO's rights to freely transfer its carbon credits to its business partners, and the host governments' application of corresponding adjustments.

KOKO's carbon credits generated from its ISO Tier 5 appliance cookstoves hold strong underlying substance, additionality, permanence, and robust benefit-sharing mechanism. As such, once successfully implemented, the Project could demonstrate the viability of new green industries supported by carbon credits, therefore helping facilitate further investments into such industries in Kenya and Rwanda. Finally, KOKO's inclusive business model, whereby it uses its carbon credit income to materially lower the cost of bioethanol cookstoves and fuel, could be replicated by other companies in the impact investing or double-bottom-line business space.



---

## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



## Private Actors Description

As stated by the MIGA, since its commercial launch in Kenya in 2019, KOKO has reached a customer base of more than 1 million households and implemented about 3,000 KOKOPoints to date. Based on its established business operations in the country, KOKO is planning to expand its Kenya business to serve an additional 3 million households nationwide over the next 5 years. The Rwanda Project is currently in pilot phase and serves approximately 20,000 customers in Kigali, with the potential to increase its customer base in Rwanda to reach 1,000,000 over the next five years. Currently, the Project Companies operate in the regional areas of Nairobi, Mombasa, Kisumu and Nakuru in Kenya, and in Kigali and its suburbs in Rwanda. KOKO's cookstoves and canisters are manufactured by SAARUS, a product design and manufacturing company headquartered in India, acquired by KOKO in 2018. For the procurement of bioethanol, KOKO Kenya and KOKO Rwanda have a supply agreement with Vivo Energy, a reputable fuel provider in Africa.

According to Bloomberg, Vivo Energy Limited distributes and markets petroleum products. The Company engages in supply, storage, distribution, and retail of lubricants, fuels, and liquefied petroleum gas. Vivo Energy serves customers worldwide.

The Business and Human Rights Resource Centre's company page states that Vivo Energy Ltd. is a joint venture between Vitol, Helios Investment Partners, and Shell.

As stated on the company's website, KOKO Networks builds technology for life in the world's fastest growing cities. With over 1300 staff in East Africa & India, the company operates within the energy, climate, media and retail sectors.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Helios Investment Partners	Parent Company	Finance	invests in	Vivo Energy Ltd.	Contractor	Energy
Royal Dutch Shell plc	Parent Company	Energy	invests in	Vivo Energy Ltd.	Contractor	Energy
Saurus Innovations Pvt. Ltd.	Contractor	Energy	contracts with	KOKO Networks Limited	Client	Energy
Vitol Group	Parent Company	Energy	invests in	Vivo Energy Ltd.	Contractor	Energy
Vivo Energy Ltd.	Contractor	Energy	contracts with	KOKO Networks Limited	Client	Energy



---

## Contact Information

### Client - KOKO Networks Limited:

Addresses -

KOKO Kenya: Rivaan Centre, Level 5, Muguga Green, Nairobi, Kenya

KOKO Rwanda: Safer-One Industrial Park, Special Economic Zone, Kigali, Rwanda

### ACCOUNTABILITY MECHANISM OF MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



---

## Bank Documents

- [Environmental and Social Action Plan \(ESAP\)](#)
- [Environmental and Social Review Summary \(ESRS\)](#)
- [Environmental Impact Assessment Summary Project Report. Proposed KOKO New Offices at Rivaan Center,](#)





---

### Other Related Projects

- MIGA-15215 KOKO clean cooking projects