



## **CrossBoundary Advisory supports EFAfrica Group on its market entry into Kenya, as part of a group-level \$12m capital raise**

As transaction advisors for the United States Agency for International Development (USAID)'s [Kenya Investment Mechanism Program](#), we worked with EFAfrica Group (EFAG) to undertake a review of the Kenyan market for equipment financing as part of their recent US\$12M equity raise. Our work included assessing the market opportunity and competitive landscape for equipment financing in Kenya. The fundraise included [AgDevCo](#), [KfW](#), [MEDA](#), and [Small Foundation](#), and will allow EFAG to develop EFKen Leasing Ltd (EFKen) and expand its successful equipment financing model into Kenya.

Tunuka Gray, Associate Principal, CrossBoundary Advisory, said, "Our work in the agriculture space around the continent and a thorough understanding of smallholder farmers in Kenya, made us uniquely positioned to help EFAG understand the needs of Kenyan SMEs. We are excited for the EFKen launch this month as access to finance remains a critical concern for SMEs across Kenya."

EFAG is a purpose-driven business that aims to become the leading equipment leasing provider for SMEs in Africa, driving job creation and poverty alleviation. Through connecting people, original equipment manufacturers, and their distributors, enabled by a standardized technology-based appraisal and monitoring methodology, EFAG can deliver affordable equipment financing to SME businesses.

Hamara Abate, Associate, CrossBoundary Advisory, noted, "Many agriculture SMEs feel shut out by existing credit options, which they feel are not tailored to the industry's unique needs. As a result, these SMEs expect financiers to directly engage with them, even coming as far as their farm, to demonstrate their commitment to understanding their circumstances. EFKen brings its extensive experience working with agribusinesses in Tanzania and is well suited to provide credit that suits the requirements of these SMEs."

Michiel Timmerman, Chairman of EFAfrica Group, concluded, "We are excited to have raised growth capital for EFAfrica Group to bring the successful Tanzanian business model to Kenya. We are committed to meeting the financing needs of SMEs in Kenya and beyond in a way that delivers returns for shareholders and focuses on SMEs that have little or no alternative sources of finance, especially in the agriculture sector. The support of CrossBoundary, enabled by USAID's Kenya Investment Mechanism, provided a valuable perspective on the opportunities in the Kenyan market and supported the EFAG investment into EFKen."

In Tanzania, EFAG operates through its equipment leasing subsidiary [Equity for Tanzania](#), which has grown to become one of the leading providers of leasing services to Tanzanian SMEs. In Kenya, the business strategy for EFKen includes expanding smallholder farmer access to finance for agricultural equipment. EFKen is expected to begin operations in October 2020.