**Spark+ Kenya/Ghana Technical Assistance Facility**

Questions and Answers

*June 2019*

***General Program Related Questions***

**This is a “technical assistance facility”, and in the past was referred to as an investment readiness program rather than a grant program. Does that mean that funds are earmarked for an investment banking firm to help prep businesses for investment?**

While in past Spark+ TA Facility / Investment Readiness Program RfPs combining grant funds with technical assistance, in this case, winners will only be eligible to receive non-financial assistance / advisory support. The Alliance and the applicant will co-design a customized TA support engagement(s) based on the company’s needs stated in its application, our due diligence process, and other consultations. This may or may not include the engagement of a 3rd party financial advisor – it may instead include other consultants who could support the company in a variety of other ways.

**How many RfP applicants will you likely select?**

Depending on the quality and quantity of applications, we anticipate evaluation and due diligence of 3-4 companies and selection of 2-3.

***Support Engagement Questions***

**What relationships/networks within the investment community do you bring to an applicant, or do we need to have those networks on our own?**

The Alliance has relationships with a wide range of investors across a range of investor types including HNWI/angels, impact funds, private and public foundations, development finance institutions, commercial banks, and others. We also have close working relationships with a range of specialized financial advisory firm(s) with a track record in preparing companies for investment and helping them to execute capital raising processes. If you are able to demonstrate that your business (product, model, management team, etc.) is investible from the perspective of debt and or equity investors, we are confident we will be able to help you to identify relevant investors with an interest.

**To the extent we are already in conversations with potential investors, do you anticipate being able to add to our list and ‘open new doors’ for us in the process?**

Support to a selected winner may be completely independent of investor identification and transaction support, and instead focus on other support related to strategic, operational financial, or other aspects which may be important to be able to convince investors that the company is a strong candidate for investment.

To the extent, however, that support involves investor identification and transaction advisory, we typically work directly with the company and sometimes a 3rd party advisor to prepare/compare investor lists and determine an optimal outreach strategy which accounts for all past discussions and contacts. This has historically worked well, and we have been told by companies that our contacts within the investor universe and market insights have been highly complementary and value-additive and have accelerated the capital raising process.

**Will the Alliance charge a fee for helping my company raise equity or debt?**

To the extent a TA engagement is deemed to require the support of a specialized financial advisory firm, these engagements are typically structured with upfront and success fees. This may be structured in various ways – but one option may be for the upfront fee to be paid by the Alliance, while the success fee would be paid by the company after it secures investment.

**We understand that you are developing an investment facility that will share the same name: Spark+. How does application and/or selection into the TA Facility affect consideration for the investment fund, and vice versa?**

The Alliance is working with an experienced fund manager to launch Spark+ Africa Fund, an investment fund which will invest $0.5-5 million in companies across the clean cooking value chain in sub-Saharan Africa. The Fund and the TA Facility are highly aligned in terms of their underpinning philosophy around market development and their ultimate goal – high-impact clean cooking solutions delivered sustainably at scale. They are also aligned in how they evaluate companies; through the lens of the investors that must leverage their TA and concessional funds with follow-on commercial investment.

There are differences as well. First, in terms of the stage at which they are likely to intervene – with the TA Facility able to support companies that are not quite ready for investment. Second, in terms of the type of support they each provide. The TA Facility can provide technical assistance (and in some cases, though not through this RfP, limited amounts of targeted grant funding for critical purposes), while the Fund will provide debt, and in some cases equity and quasi-equity, financing.

Companies supported by the TA Facility will be particularly well-positioned for investment by the Fund given the existing relationship that will have developed, and the reduced need for an extensive evaluation and due diligence process. That said, companies not supported by the TA Facility will also be considered for investment. Likewise, companies which do not require investment from the Fund may be eligible for support under the TA Facility which has a dual mandate – to ensure the Fund’s investments are successful, but also to grow the clean cooking industry at large.

**What is your status in the development of the Spark + Africa Fund?**

We are currently in discussions with potential Fund investors, and in parallel are also in discussions with clean cooking companies that would like to be considered in the investment pipeline. We encourage all clean cooking companies in sub-Saharan Africa with a reasonable expectation to raise $500,000 or more of debt or equity to contact us for more information.

***Eligibility Questions***

**We applied for and won a grant from the Alliance in the past – are we eligible to apply again?**

Yes, and we would encourage you to apply. Though do bear in mind your suitability according to this RfP’s criteria, since it may be different than criteria for other Alliance programs.

**It appears the program aims to help companies to be investment-ready in a 12-24 month horizon. We are planning our first investment raise by the end of 2019, which is sooner than 12 months even if we miss our target by a few months. Would this disqualify us?**

No, 12-24 months is a realistic, but hopefully conservative, timeframe in which we expect each company we support to secure investment. Where a company is more advanced in the preparation process, we are able to adapt, and would encourage all companies reasonably expecting to secure investment capital in the near or mid-term to apply. The program’s focus on investment readiness is not necessarily its key feature, but rather the ability to raise investment is an important proxy for a company with the potential for scale.

**What if this pre-investment work is not needed and a business is already ready for investment? Does it make sense for us to apply?**

We would encourage all companies that meet the criteria listed on the RfP to submit an application. If you are completely averse to working with an advisory firm, and make that clear in your application, we are unlikely to select your application as this is a key component of the offering. However, if you are unsure of what value may be delivered by the Alliance or a 3rd party advisory firm, we would still encourage you to apply and if selected for further evaluation, we can address this in future conversations.

***Documentation Questions***

**Can you clarify the ‘existing financial model’ that is requested in the RfP? Is this the company’s past and future annual income and cash flow statements?**

We request whatever excel workbook you use to track your historical and projected financials – including cash flow statement, balance sheet and income statement. The financial model may include other sheets such as your capitalization table and various other calculations. As mentioned in the RfP, there is no requirement to prepare anything new for this requirement, only to provide what you already have.

**Regarding the request for additional investor documentation, we have a company pitch deck/management presentation, a presentation related to social and environmental impact, and a business plan. Is that what is requested?**

Yes, whatever you have will be helpful in our evaluation process.

***Administrative Questions***

**What will be the reporting and any other ongoing requirements for selected enterprises?**

The requirements will be determined at a later date and specified in the relevant agreement(s). It will be streamlined to ensure that the Alliance has the information it requires to evaluate its impact and report to its donors, but to avoid an unnecessary burden on companies.

**Will the data in the application be kept confidential?**

Any data shared with the Alliance is treated with the highest degree of confidentiality and will not be shared beyond Alliance staff and an advisory firm(s) that is/are contractually obligated to maintain confidentiality. If there is information you wish to not be shared with parties other than the Alliance, please indicate this.