

**Request For Proposals**

**Spark+ Technical Assistance Facility**

**Kenya & Ghana**

This Request for Proposals (RfP) is to solicit applications for the **Spark+ Technical Assistance Facility** (“Spark+ TA Facility” or the “Facility”) to support companies with the potential to raise debt and/or equity capital for growth. Spark+ aims to scale-up the clean cooking sector by accelerating companies able to become proof points for the sustainable delivery of high-impact clean cooking solutions at scale. It accepts applications from businesses across the value chain, including those that manufacture, distribute, or otherwise enable access and adoption of biomass, biogas, ethanol, LPG, electric, or other clean cooking solutions.

# The Clean Cooking Alliance

The Clean Cooking Alliance works with a global network of partners to build an inclusive industry that makes clean cooking accessible to the three billion people who live each day without it. Established in 2010, the Alliance is driving consumer demand, mobilizing investment to build a pipeline of scalable businesses, and fostering an enabling environment that allows the sector to thrive. Clean cooking transforms lives by improving health, protecting the climate and the environment, empowering women, and helping families save time and money. Learn more about our work at [www.cleancookingalliance.org](http://www.cleancookingalliance.org).

# The Spark Grant and Spark+ TA Programs

The Alliance launched the Spark Fund in 2012 to support clean cooking businesses with pre-investment grant capital. It aimed to identify the highest-potential enterprises regardless of country or technology, with solutions that could scale globally through expansion or replication. The Spark Fund deployed $4m+ in grants in three rounds to 15 enterprises. Some of these companies have been highly successful and raised Series A and B rounds and are now executing international expansion plans.

In 2016, the Alliance established the Spark+ Technical Assistance Facility (at that time called the Investment Readiness Program) to provide technical assistance (TA) to a pipeline of commercially-oriented companies with scale potential. Through Spark+, the Alliance delivers high-touch strategic advisory support related to investment-readiness and capital raising, as well as other key requirements which could enable a company to successfully raise growth capital. In some cases, the TA Facility also provides small amounts of grant capital, where appropriate.

Over the past two years, Spark+ has grown the initial portfolio of 15 Spark grants to a total of 22 grant and TA engagements. The Alliance plans to continue to scale-up the Spark+ TA Facility in the next several years to accelerate the growth of businesses able serve as proof points for how high-impact solutions can be delivered sustainably at scale in markets around the world.

The Alliance is also exploring the establishment of an associated investment facility, Spark+ Africa Fund, to offer debt and equity capital to companies, including those that have received technical assistance, when they are ready for such financing.

# Spark+ Kenya & Ghana 2019

While Spark+ RfPs are typically global in scope, the Alliance is launching a geographically targeted window for companies operating, or seeking to operate, in Kenya and/or Ghana. Spark+ will work with selected applicants (“winners”) to design a customized TA support package based on their application, due diligence and further consultations. The TA package may include:

1. Business support related to strategic or business planning, geographic expansion, sales and marketing, supply chain management, product research and development, social and environmental assessment, financial systems development, or any other critical need with regards to strategic development and growth, operations, product/service, etc.
2. Capital raising support to prepare for an investment round; identifying investors; preparing investor pitch materials, financial model, due diligence data room, etc.; and transaction support to negotiate terms and close the investment;
3. Support on increasing company visibility, investor and strategic partner matchmaking, and access to global communication channels to amplify the company’s accomplishments and announcements.
4. Opportunities for enhanced representation at regional and global events such as the Clean Cooking Forum, Clean Cooking Investment Forum, private sector-oriented roundtable discussions, etc.

**Engagement Terms**

Support in the areas listed above will be provided through 3rd party advisory services providers and/or Alliance staff support – at the Alliance’s discretion. **As grant funding will not be provided under this RfP, we encourage companies to be thoughtful about their non-financial needs.**

Third-party TA providers will be engaged based on needs in close collaboration with the company, leveraging the Alliance’s extensive network of relationships with specialized providers, many of whom have a long track record in clean cooking, energy access, and/or social enterprises operating in base of the pyramid (BOP) markets.

Projects will be implemented according to a schedule to be determined with the company. This will typically be an 18-month period and based on performance milestones; though services may be provided over a shorter period. This allows businesses to receive support and demonstrate the results of that support through a successful capital raising process.

Winners may be asked to submit or undergo financial audits and test all cookstove technologies and fuel products – or undertake any other reasonable requirements at the Alliance’s request – where applicable, at the Winner’s own cost.

**Program Terms**

Technical assistance engagements will be structured over a 12-month period, with total budgets likely to range between $25,000 and $50,000. This may be allocated across several engagements to accomplish various outcomes for the company.

The applicant should indicate in its executive summary how it will provide co-financing equivalent to the ask of the TA Facility. For example, if your company requires TA support worth $100,000 in total, we may consider financing $50,000 and expect the applicant to co-finance the remaining $50,000. Where this is not possible and co-financing would be lower than 50%, a highly compelling justification should be provided.

# Selection Criteria

The RfP targets businesses likely to attract investment due to scalable, differentiated, and commercial business models to deliver products that offer robust social, environmental, and economic impacts. Applicants should meet the following criteria:

* **Focus Geographies**: Qualified businesses currently operating in Kenya and Ghana are strongly encouraged to apply. Although there is a preference for companies already operating in these countries, companies operating in other countries but seeking to enter the market(s) or develop commercial agreements with Kenya or Ghana-based companies are also welcome to apply.
* **Industry and Sector Focus**: Applicants must operate in, or (seek to) directly support, the clean cooking value chain by producing or distributing stoves and/or associated fuel products. Devices may include biomass, LPG/biogas, ethanol, electric, or induction stoves, or solar cookers. Relevant fuels may include processed biomass such as briquettes or pellets, ethanol, LPG, electric, or biogas. We may consider applicants which enable stove or fuel uptake including those involved in fuel dispensing systems, pay-as you-go systems, production technologies, etc. If not currently in the clean cooking value chain, applicants should present a clear narrative as to how support will lead to access/adoption of clean cooking solutions.
* **Organizational Maturity**: Applicants should be beyond proof-of-concept and post-revenue, having developed a product/technology, business model, and generated sales. They should have established a full-time management team and operations and be able to clearly articulate plans for raising investment capital. Applicants are not required to be profitable but should outline a clear and feasible plan to scale and become profitable. Applicants may have already raised investment capital, but should still be justifiably in need of grant-funded donor support such that support will be sufficiently ‘additional’.
* **Commercial and Scalable**: Applicants should be market-oriented and commercially viable, with unit economics which do not rely on subsidy over the long-term, unless it is clear that such subsidy will be available over the long-term. The model should be scalable and replicable with the potential to make a significant contribution to the Alliance’s goal to achieve SDG 7 which calls for universal access to clean cooking solutions by 2030.
* **Organizational Type:** Spark+ has a strong preference for for-profit private sector businesses given the higher likelihood that they will be structurally and operationally setup to operate sustainably, attract investment capital, and achieve scale. Applicants with non-profit/hybrid structures should be able to articulate how their model does or will achieve these characteristics, as well as the clear need for, and potential to raise, investment capital.
* **Alliance Membership**: Applicants must be current partners of the Clean Cooking Alliance. Those not already registered can do so prior to submitting an application at <http://community.cleancookingalliance.org/become-a-partner>.

# Application Process & Deadlines

The application process will be open from June 13, 2019 to July 11, 2019, and **applications are due by July 11, 2019 at 6:00pm EDT** by email to investment@cleancookingalliance.org. Applicants are asked to submit the following:

1. An **Executive Summary** which includes an overview of the business and proposal for support. The proposal should be no longer than 6-pages; a template is provided on the RfP webpage.
2. A **Financial Overview** whichconsists of four tabs consisting of financial and operational performance data (revenues, COGS, and operating costs), product and unit economics, and information regarding capital raised and capital needs; a template is provided on the RfP webpage.
3. The company’s **financial model** in its own format.
4. Wherever available, **fundraising/investor documentation** such as a pitch deck or business plan.

Applicants are asked to ensure that **product descriptions and field testing results of any stove, fuel, or fuel production/delivery products** are in the Clean Cooking Catalog: <http://catalog.cleancookstoves.org/pages/contribute>.

**Please be sure to submit the documents indicated in the list above (in addition to any other documents you may find relevant) and closely follow the guidelines**, including length restrictions. Only one proposal per organization may be submitted.The Alliance reserves the right to reject late or incomplete applications or those that do not follow stated guidelines.

The selection process will take place in four stages:

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| **Stage** | **Description** | **Dates** |
| **Stage 1**: Applications | To apply, please send requested materials in a single submission email to: investment@cleancookingalliance.org. ***We invite clarifying questions via the same email address, and any additional FAQs will be posted on the website, as applicable, prior to the deadline.*** | **Application Deadline**July 11, 2019 at 6:00pm EDT |
| **Stage 2**: Evaluation and Shortlisting | Applications will be evaluated and shortlisted parties will be notified by the Alliance team.  | **Finalists Notified** Late July, 2019 |
| **Stage 3**: Due Diligence, Follow-Up Questions and Contracting | Finalists will be asked to provide additional info and undergo a due diligence process. Companies with whom the Alliance will move forward will collaboratively identify TA providers, draft engagement letters and/or grant contracts, and sign agreements. | **Winners Notified**Early October |
| **Stage 4**: Project Launch | TA engagements and/or grants will begin. | **Support Commences**Late October |

**Evaluation Criteria**

# Given the intention of the RfP to identify companies that can attract investment capital and achieve scale, decisions will be made on the basis of the business’ viability, its management team, product or service, and economics. Given two companies with equal commercial/financial viability and scalability, we will support enterprises with higher-performing technologies that will achieve greater impact, e.g. solutions which have a greater impact on health or climate, or more significantly reduce the amount of fuel required for cooking. Criteria used to evaluate proposals will include, but is not limited to:

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| Category | Criteria | Description |
| 1. Strength of Business Model | 1. Market opportunity
2. Product/technology(ies)
3. Strategy/operations
4. Strategic partnership(s)
 | Current situation and track record. Sales and growth to date, position in market, value chain, strength of product/service and whether it addresses a market gap, production/distribution operations, sales/marketing channels, established partnerships. |
| 2. Financial Sustainability and Planning | 1. Historical performance
2. Financial projections
3. Financing plan
4. Existing capitalization
5. Financial management
 | Financial strength/sustainability. Historical/projected revenue and cost structure, unit economics (gross and net profit margins), assets and liabilities, funding to date (debt, equity, grants, etc.), financial projections and validity of key growth assumptions, and overall potential to mobilize financing for future growth. |
| 3. Social and Environmental Impacts | 1. Climate, health, environment, women’s empowerment, livelihoods
2. Ability to track impact
3. Plan to increase impact over time, where applicable
 | Clear, measurable and realistic positive social and environmental impacts. Technology performance, safety, and quality; emissions and fuel use reduction; women’s empowerment; job creation and livelihoods, climate impact.  |
| 4. Growth Plan and Projections | 1. Growth strategy
2. Assumptions for growth
3. Pre-investment capacity development needs
 | Strength and feasibility of growth plan. Identified opportunities for growth and expansion, appropriate and achievable plan with action items to pursue growth strategy, feasibility of projections. Capacity development needs related to achieving the growth plan.  |
| 5. Management | 1. Management Team
2. Team/track record
3. Governance
 | Appropriate structure and capacity within management team and governance bodies. Appropriate mix of skillsets, strong industry knowledge, demonstrated management experience and track record, appropriate incentivization of management, an experienced and committed Board of Directors (or plans to create in the future). |

**Contracting Information**

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Agreements will be made between the Winner and the United Nations Foundation, and/or other relevant 3rd party TA providers. Funds and services will be disbursed in tranches based on the achievement of milestones determined in the selection process.

**Compliance**

Selected recipients must comply with United Nations Foundation and funder compliance requirements.

**Reporting Requirements**

The Alliance will require regular engagement and reporting over the full engagement period. Winners will be required to engage in regular check-in calls and submit quarterly written reports on activities and progress including financial performance. The Alliance will provide a general reporting template required of all Winners and customize reporting for each according to specific goals and milestones developed between the Alliance and the Winner during the contracting process. In addition, Winners will be required to report on basic social and environmental impact indicators. All data reported will be sex disaggregated. All Winners will be required to complete the Alliance’s annual financial and operational information questionnaire. Furthermore, the Alliance, on behalf of the United Nations Foundation will monitor and conduct assessments of operations under the engagement, which may include visits from Alliance personnel or designee to observe the Winner’s operations, and to review financial records. In addition, the Alliance requires a final narrative report within 30 days of the end of the engagement term that describes what was achieved with the services and funds, and where applicable, a line item comparison of budgeted versus actual expenses as they relate specifically to the funding, an explanation of any line item variances to the contract, and a statement certifying that all funds were expended for the purposes of the grant.

**Communication of Results**

The Alliance is committed to ensuring that results achieved by Winners will inform the sector, as well as advance the adoption of cleaner, more efficient cooking solutions. Winners will be expected to actively engage with fellow Winners, Alliance staff, and other designated partners as requested by the Alliance. This coordinated engagement could include participation in meetings, calls, or research being conducted by the Alliance, and participation in additional capacity-building activities needed to further those goals – provided that such requests do not constitute a violation of any applicable law or regulation. The Alliance will work with Winners to ensure that their successes are widely disseminated and profiled at meetings as relevant. Materials, reports, and results of TA and/or grants may be available for dissemination to the public, e.g. through the Alliance website, newsletters, and webinars. The Alliance has the right to ensure that results are made publicly available in a timely and transparent process, while ensuring intellectual property rights of investigators, as well as subject and company confidentiality as required.