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Haiti Clean Cooking Fund

January 29, 2020



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Agenda

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Clean Cooking Alliance



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Introduction

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 environment, empowering women, and helping consumers save time and money.



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Three pillars of Alliance's work



VENTURE
SUPPORT

Advisory Support
Grant Funding

in three primary thematic areas:

Investment Readiness/Corporate
Operations/Growth
Product/Service



ECOSYSTEM
BUILDING

Market Research / Data

Databases / Tools

Convenings / Events

Other Market Interventions



DEMAND
CREATION

Direct to Consumer
Awareness Campaigns

Organizational Partnerships to
Highlight Benefits of Clean
Cooking

Alliance Impacts to Date

SECTOR FINANCE

\$8.6M

in grants to
76 companies

BUSINESS SUPPORT

30+

companies received
technical support

GENDER EQUALITY

1,000+

women
entrepreneurs
trained

CATEGORY-LEVEL DEMAND

40M 8

people reached countries engaged

ALLIANCE-SUPPORTED COMPANIES

have accessed
\$48M
of additional grant
funding

leveraged with
\$136M
in debt
and equity

CONVENER

50+

workshops



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FORUM 2019



2,000+
attendees reached



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Haiti Cookstoves and Clean Energy Market Project

Project Objective

- **Objective:** To reduce the negative climate, environment, health, and economic impacts from traditional cooking practices, particularly the disproportionate impacts felt by women and girls, by developing a market for cleaner and more efficient cookstoves and fuels
- **Key priorities**

Supply

Increase sales of cleaner and more efficient cookstoves and fuels by Haitian businesses, particularly those that integrate women into their supply chain

Demand

Increase use of cleaner and more efficient cookstoves and fuels by consumers, particularly women

Enabling Environment

Improve the enabling environment for growth of a cookstoves and fuels market



Project Implementation

Project Timeline

- **4 Years** (March 2018 – March 2022).

Stakeholders

Stakeholders:

- Government of Haiti
 - - Ministry of Planning & External Cooperation
 - - Ministry of Environment
 - - Ministry of Agriculture, Natural Resources and Rural Development
 - - Bureau of Mines and Energy
 - - Ministry of Women's Affairs
- Cookstove and fuel enterprises
- Civil society organizations (particularly women's organizations)
- Haitian diaspora



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Targeted Regions

Six Urban Areas

- The project will reach beneficiaries, mainly in urban areas, including both consumers and entrepreneurs. The Alliance will collaborate closely with the Ministry of Environment decided on rural areas where the project should also intervene.
- Some entrepreneurs and consumers involved in the charcoal value chain in rural areas will also be impacted by the project's work on improving the sustainability of woodlot management and improved kilning.





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Haiti Clean Cooking Fund



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Overview

- The HCCF will provide grants and technical assistance to clean cooking companies in Haiti to support their growth
- It may finance capital expenditures and/or working capital or be used to build the internal capacity of companies involved in the design, production, distribution, or retail of stoves, fuels, or related products and services.
- There may be supplementary funding available for specific uses such as carbon asset certification, product research and development, prototyping and testing, consumer financing pilots, and integration of gender-responsive solutions for business growth.

Eligibility Criteria

- Manufacture, distribute, or retail cookstoves or fuels in Haiti on a commercial basis;
- Operate a business model which includes selling to the household market;
- Are structured as a business or a not-for-profit entity which is registered and have operations in Haiti; e.g. not a government agency;
- Have developed a growth plan;
- Are cash flow positive and profitable, or show a clear path to it;
- Have third-party audited financial statements or will commit to deliver audited financial statements within six months of grant disbursement;
- Commit to using the funding for activities which are strategic and are intended to enhance the scalability and sustainability of the enterprise; and
- Commit to conduct Alliance-sponsored testing of cookstoves in line with ISO Standard 19867-1 in a recommended lab within three months of grant disbursement, or test fuel products as appropriate

Program Details

- **Type of Support:** The funding will be provided for use by recipients, including either their own expenditure, or for procurement of third-party technical assistance. The type of assistance will be determined by the requirements set by the Alliance and the enterprise and will be subject to the approval of the Program's Technical Assistance (TA) Committee.
- **Amount:** Individual awards will range from \$25,000 – \$250,000. There will also be the potential for follow-on funding of up to \$300,000, available to companies that show potential to scale after the first round of funding.
- **Matching contribution:** Preference given to companies that can provide matched funding, with a min of 50% the amount received from the Program being contributed by the enterprise. As such, grantees would need to deliver a ratio of investment to Program funding of 1:2.
 - Matched funding may be from retained earnings, equity, debt, grants and contribution from partner organizations.
 - Can be in the form of cash, cash equivalent contributions, or in-kind contributions.
 - Cash equivalent contribution examples: salaries for staff, rental expenses covered on part of the enterprise, etc.
 - In-kind contribution examples: management time, technical assistance, machinery and equipment, etc. In-kind contributions can be up to a maximum of 50 percent of total matched funds.

Use of Funding

- The funding may be deployed for a range of uses depending on the requirements of the enterprise, including for capital expenditures and working capital. It may also support the grantee's capacity building and technical assistance needs. The companies can outline multiple uses of funds, and will be encouraged to consider the following categories in addition to others:
 - Improving the marketing and sales strategy and effectiveness, including training staff and refining marketing and sales approaches.
 - Conducting pilots or expanding programs related to consumer financing.
 - Developing new products through R&D, refining design, production of existing products, or piloting products.
 - Developing, refining, and modeling commercial and go-to-market strategies.
 - Implementing or refining management information systems to improve business processes.
 - Capital expenditures including equipment purchases, etc.
 - Carbon credit certification such as for Gold Standard for Global Goals.

Participation by non-Haitian companies

- Companies registered in other countries and with operations outside of Haiti and that have an interest in entering the Haitian market or partnering with a local Haitian entity to manufacture, distribute, or retail clean cooking solutions in Haiti on a commercial basis may apply
- Funding up to \$50,000 will be made available to:
 - Conduct feasibility assessments or pilots to gauge the market readiness for their products and services.
 - Explore partnership opportunities to manufacture or distribute their products.

Application Details

Applicants are asked to submit the following to investment@cleancookingalliance.org:

- An existing business plan which gives an overview of the company, the product, the business model, the growth plan, the management team and proposed use of funding (maximum 5 pages)
- Historical financials including income statement, balance sheet, cash flow statement, etc.
- Any up-to-date fundraising/investor documentation e.g. pitch decks, business plans, as available
- Detailed or summary forward-looking financial projections, as available

Selection Process

- **Phase 1: Initial Information Phase (Jan. 15 – Feb. 9)**

Applicants must submit a brief application to ensure they meet the eligibility criteria for the program. The application should include existing materials with details such as the business model, management team, financials, proposed use(s) of funds and technical assistance, etc.

- **Phase 2: Detailed Proposal (Feb. 24 – March 15)**

Based on an assessment of the initial application, shortlisted companies will be invited to submit a detailed proposal. Companies will be fully responsible for their business plans including their conceptualization and development. However, during the detailed proposal phase, the companies will be able to consult the Alliance for feedback and recommendations.

- **Due Diligence (March/April 2020)**

Detailed due diligence will be conducted by Alliance staff as well as a third party as part of the evaluation process. The due diligence may comprise of legal, financial, commercial, and gender due diligence. The evaluation process may include site visits, interviews with management, staff, customers, and review of financial and legal documentation.

Timeline

- January 15, 2020 - EOI Opens
- January 29, 2020 - Information Webinar (in English and Creole)
- **February 9, 2020 - EOI Submission Deadline**
- February 24, 2020 - Shortlisted Companies invited to write full proposals
- March 15, 2020 - Full proposal Deadline
- March/April 2020 - Due Diligence + Proposal Refinement
- May 2020 - Notification to selected applicants

Other areas of company support

As part of the Haiti Cookstoves and Clean Energy Market Project, there will be additional funding and resources available to enterprises for below purposes apart from the uses under this Program, including:

- **Gender integration into the business models:** As leveraging gender insights and gender-responsive business solutions can maximize business growth, while simultaneously maximizing impact, the Project will work with the companies to develop a gender action plan appropriate to the business' stage of growth and provide them a gender-value chain analysis training.
- **Haitian diaspora e-commerce platform:**-The Project will partner with an e-commerce and marketing platform targeted at Haitian diaspora. The Alliance will work with cooking companies in Haiti to include their products on the platform. The targeted “Clean Cooking e-commerce platform” will support the companies in capturing the unique market where diaspora purchases products for their friends and family in Haiti.

Thank you