Context

The Global Alliance for Clean Cookstoves is a public-private partnership hosted by the United Nations Foundation to save lives, improve livelihoods, empower women, and protect the environment by creating a thriving global market for clean and efficient cooking solutions.

Part of the Alliance’s strategy to create a global market is to strengthen the supply of clean cooking solutions by attracting more finance and investment to the sector. In order to increase investment, the Alliance is working to prepare the market for scale, support the development of commercially viable and scalable enterprises, and raise awareness in the investor community on opportunities within the sector.

The Alliance has developed several financial products to support the development of commercially viable and scalable enterprises. These range from the Pilot Innovation Fund to finance innovations across the value chain, to the Spark Fund to finance the scale of proven concepts, to the Working Capital Fund to provide affordable working capital loans for early growth stage companies. The diagram shows the suite of financial products the Alliance has designed to enable enterprises at different stages of development to grow and leverage further investment.
The Challenge
Global financing mechanisms alone are not sufficient to foster thriving clean cooking markets in the Alliance's focus countries. There is a need for country-specific mechanisms that fund capacity building and growth of start-up and venture stage companies ineligible for global financing mechanisms like the Spark and Pilot Innovation Funds. These enterprises, particularly those that are locally owned and operated, often find it difficult to improve their operations and implement growth initiatives to better position themselves for future investment.

The Solution
The Alliance is launching the Country Catalytic Grants Program in Ghana and will roll out the program in its focus countries in Phase 2 (2015-2017). There are two key components to the program:

1. **Investment readiness analysis** will be conducted on strategically placed enterprises in the clean cooking sector in each focus country to identify key capacity development and growth initiatives. The analyses will involve 2-3 day site visits to assess all aspects of each enterprise selected, including meeting with suppliers, distributors, and consumers, as well as with the management team to review their operations, growth plans, sales and marketing strategies, and financial positions. A comprehensive report will be provided to each enterprise assessed.

2. **Small grants** will be made to fund catalytic enterprise development and growth initiatives that will increase likelihood of investment, enrich the value chain through more efficient production and enhanced distribution, and foster strategic partnerships to strengthen the sector.

In each market, the Alliance will analyze 6-10 businesses on an annual basis and selectively provide small grants of up to $100,000 per enterprise.

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