

# POWERING AGRICULTURE INVESTMENT ALLIANCE FAQS



## 1 ***What is the objective of the Powering Agriculture Investment Alliance?***

The objective of the Alliance is to accelerate the development and deployment of clean energy innovations that improve agricultural productivity in the developing world by increasing the distribution and supply of new and existing solutions. Specifically, the Alliance seeks to help commercially viable companies grow and scale by improving their investment-readiness and increasing their access to financial capital.

## 2 ***Who is eligible for support through the Powering Agriculture Investment Alliance?***

The Alliance is seeking companies working on promising clean energy solutions in the developing world that have the potential for commercial scale-up and development impact by meeting one or more of Powering Agriculture's goals:

- i. ***enhance agricultural yields/productivity;***
- ii. ***decrease post-harvest loss;***
- iii. ***improve farmer and agribusiness income generating opportunities and revenues***
- iv. ***increase energy efficiency and associated savings within the operations of farms and agribusinesses.***

### 3 *What countries are included?*

alphamundi

**AlphaMundi** will focus their efforts on companies working in **Latin America** and **East Africa** (excluding Brazil, Venezuela, the Caribbean, South Sudan, the DRC, Ethiopia, and Somalia).

**FACTOR[e]**  
VENTURES

**Factor[e]** will support companies **world-wide**.

### 4 *What sort of support may be provided through the Investment Alliance?*

**AlphaMundi** will both *invest* in qualified companies in the energy-ag nexus and will also fund *select technical assistance projects* to promote investment readiness. (TA may or may not be coupled with investment funding. See questions below for more detail.)

**Factor[e]** will *make between 4 and 8 investments*, with an average investment size of US\$500,000. **Factor[e]** will also provide post-investment company support and disseminate lessons learned and impacts through a variety of channels.

### 5 *What technical assistance does AlphaMundi provide through the Investment Alliance?*

alphamundi

Typical areas of support include:

- **Financial Planning & Accounting:** budgeting, fundraising, cash flow management, etc
- **Governance:** Board structure and management, shareholder and investor reporting, management and employee incentives, and HR policies. (Although AlphaMundi typically does not take Board seats as a debt investor, this is occasionally done for earlier stage companies in which AlphaMundi is the first institutional investor.)
- **Operations:** Profitability analysis and model creation, supply chain mapping and optimization. Operational technical assistance is often done with third party providers, although AlphaMundi staff will occasionally run projects directly with the companies.
- **R&D:** highly targeted small (under US\$50,000) grants for product development and testing
- **Impact measurement:** assistance to rigorously evaluate the development impact a company is achieving, including poverty reduction, gender and environmental impacts.

Note that **Factor[e]** does not provide grant funding/TA that is not associated with its investments.

### 6 *How are AlphaMundi investments structured?*

alphamundi

If **AlphaMundi** invests, investments will typically be senior, subordinated, or convertible debt with ticket sizes of US\$250,000 to US\$1,000,000.

## 7 *How does AlphaMundi make investment and Technical Assistance decisions?*

alphamundi

**AlphaMundi** considers both TA and investments on a rolling basis. For both, **AlphaMundi** will give preference to companies in East Africa or Latin America that meet the following criteria:

- 3 years of operations and a strong team with key personnel heading business units (e.g. sales, marketing, HR)
- Established financial statements with independent account review if not full audit
- Established product or service that is generating revenue in at least one market. Potential for business to scale nationally or internationally as a market leader
- 2017 revenues of at least US\$250,000 (for investment consideration)
- Defined and measured social and environmental impact

For investments, **AlphaMundi** follows a strict due diligence process that analyzes both the risk: return of the individual investment while taking into consideration portfolio diversity.

## 8 *If a company receives technical assistance from AlphaMundi, will it also receive follow-on investment?*

alphamundi

Not necessarily. Although **AlphaMundi** will prioritize technical assistance for companies that have a high potential of being considered for debt or equity investments from one of the funds, the investment screening process is very rigorous with few new portfolio companies added each calendar year.

## 9 *How are Factor[e] investments structured?*

**FACTOR[e]**  
VENTURES

**Factor[e]** makes equity investments for early-stage technology companies in the range of US\$200,000 - US\$750,000 depending the company needs. **Factor[e]** invests in venturable companies, not R&D projects, that demonstrate ability to provide substantial benefits to smallholder farmers and/or customers, as well as provide significant financial returns to investors.

## 10 *How does Factor[e] make investment decisions?*

**FACTOR[e]**  
VENTURES

**Factor[e]** has a formalized due diligence process that uses various stage-gates to move companies through the investment decision-making process. The process culminates in a presentation to the **Factor[e]** Investment Committee, after which the entrepreneur is notified of the decision whether **Factor[e]** intends to invest.

The successful portfolio companies are generally very early stage, but will occasionally be slightly more mature companies seeking to pivot from developed markets into developing ones. **Factor[e]** in particular seeks technology-based companies that align with their thesis around:

- **Loss Reduction and Waste Minimization**
  - Physical plants that serve as integrated platforms that link farmers to high-value markets;
  - Efficient, traceable logistics for ag value chains, formalizing and squeezing waste out of informal markets;
  - Hyper low-cost farmgate food loss reduction technologies
  - Financial innovation to extend access to cold storage financing, especially refrigeration-as-a-service
- **Sustainable Intensification**
  - Modes of input finance and delivery at dramatically lower transaction costs, built for scale;
  - Optimized input design for lower cost, higher returns, and reduced environmental impact;
  - Agricultural mechanization within reach – financially and physically – through mechanization-as-a-service
  - Efficient production of nutrient-rich organic fertilizers

## 11 *How can an interested company be considered?*

For **AlphaMundi**: Inquiries should be sent to [amfinfo@alphamundi.ch](mailto:amfinfo@alphamundi.ch) and should include a company pitch-deck. Requests for technical assistance should include a one-page proposal that clearly demonstrates the relevance of the project/partnership to the Alliance criteria and activities.

For **Factor[e]**: Inquiries should be sent to [ideas@factore.com](mailto:ideas@factore.com) and include a company pitch-deck.

\* Please understand that due to the high volume of worthy applications, only those submittals most closely aligned with our thesis and investment criteria will receive a response.

POWERING  
AGRICULTURE:

AN ENERGY GRAND CHALLENGE  
FOR DEVELOPMENT

