

Higher-Tier Cooking Component in Uganda – Results Based Financing

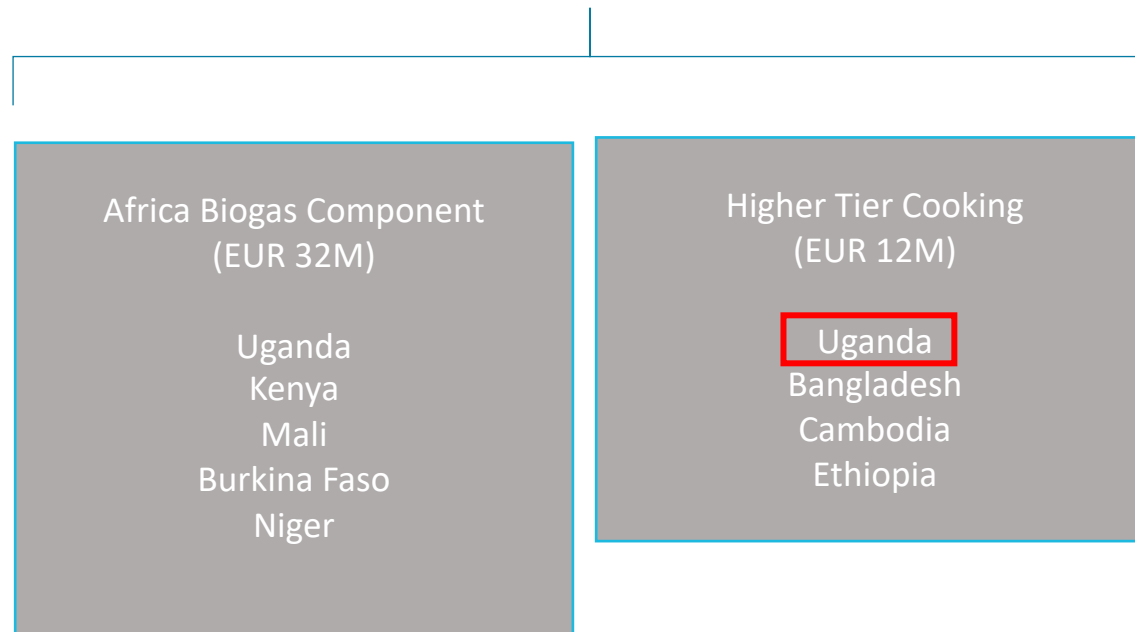
Informational Webinar for RBF – 21 November, 2023



Agenda

- Overview: Strengthening the Entrepreneurial Ecosystem for Clean Cooking (SEE-CC)
- SEE-CC Key Interventions
- Project Overview: HTCC Uganda
- HTCC RBF: Objectives & Scope
- Participant & Technology Eligibility
- RBF Structure, Amounts & Request
- Subsidy Request Evaluation Criteria
- Project Timelines
- How to Participate
- Q&A

About -Strengthening the Entrepreneurial Ecosystem for Clean Cooking (SEE-CC)

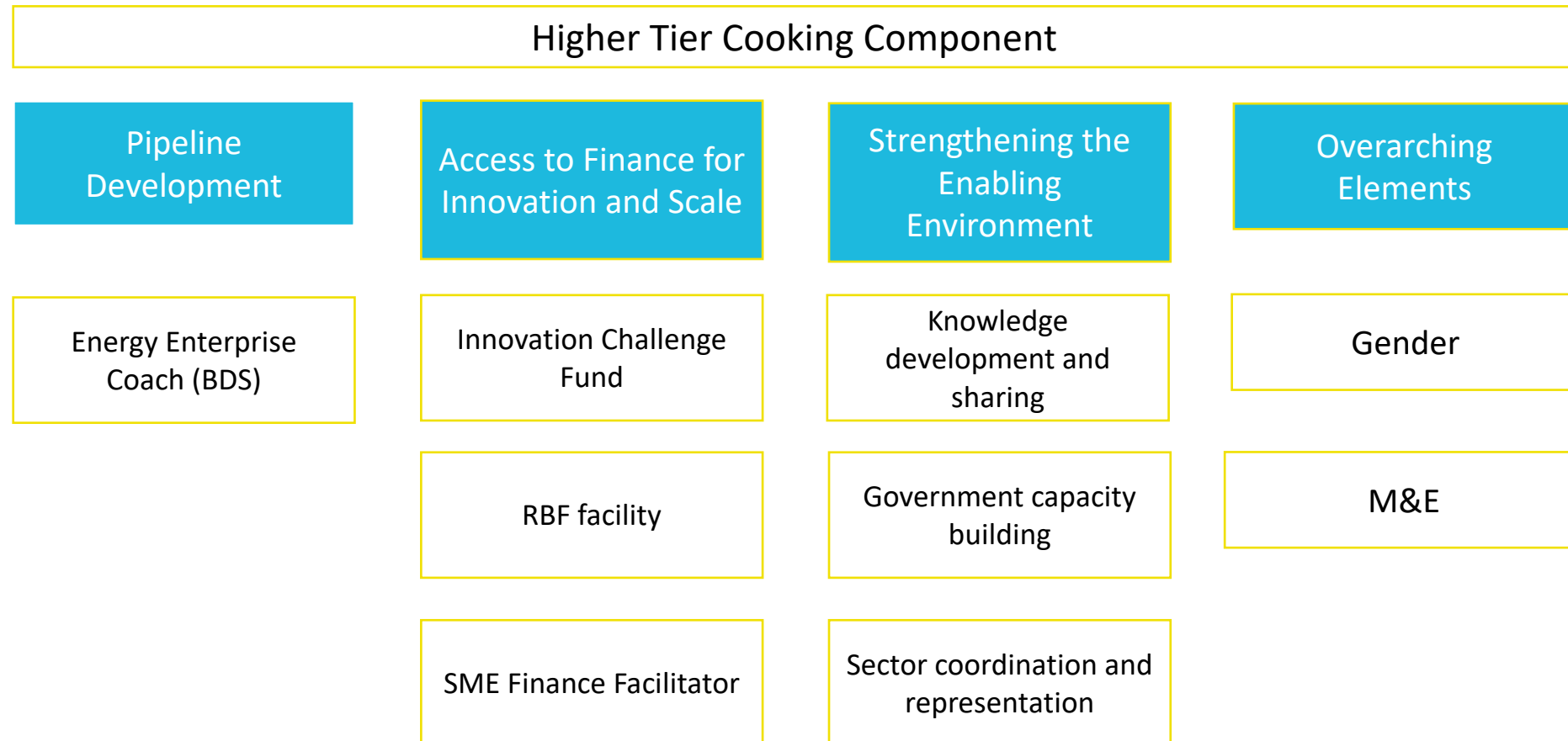


- Implemented by **RVO** in partnership with **EnDev** as an associated project
- 2021-2025

Common Approach:

- Pipeline Development
- Access to Finance
- Enabling Environment

HTCC Key Interventions



Project Overview – HTCC Uganda



HTCC Project Objectives (E-cooking and Advanced Biomass ICS)

- Build a pipeline of companies to support through HTCC and thematic implementers
- Scale up existing and support new higher-tier cooking companies to grow their market share
- Support a conducive enabling environment through evidence-based advocacy + knowledge exchange
- Project target = 12,000 households or 60,000 beneficiaries with higher-tier cooking technologies.

Implementing Partners

GIZ Energising Development (EnDev) Uganda

HTCC role: Project Management and Coordination (incl. with Thematic Implementers), Pipeline Development, Innovation Challenge Fund, Enabling Environment Support



CLASP

HTCC role: Design and Implementation of Results-Based Financing facility, strategic input into other project activities e.g. e-cooking, standards, testing, etc



HTCC RBF – Objectives and Scope

Objectives

- Catalyze the growth of higher-tier cooking in Uganda
- Unlock rapid sales growth for higher-tier cookstoves
- Make higher-tier cookstoves more affordable
- Catalyze private investment in higher-tier cookstoves markets at scale
- Improve the financial viability of mini-grid and grid-extension projects
- Providing relief to the poor, distressed, and underprivileged

- The facility will operate across the off-grid, mini-grid, and grid-connected (utility) areas of Uganda

Product scope

- Electric Pressure Cookers (EPC)

- Electric Induction Cookers (EIC)

- Tier 3 and above household biomass cookstoves (carbonized and uncarbonized biomass fuel)
- Tier 3 – 5 Charcoal Stoves
- Tier 3 – 5 Briquette Stoves
- Tier 3 – 5 Biomass Pellet Stoves
- Tier 3 – 5 Wood Stoves

Who can Apply & Eligible Products

Higher tier cookstove manufacturers and distributors (e.g., distributors of electric induction stoves, electric pressure cookers, tier-3 and above biomass stoves including charcoal, briquette, pellets, and firewood stoves in Uganda

Eligible Products					
Household Biomass Stoves	Thermal Efficiency (%)	Emissions Factor		Safety Requirement (%)	Durability Requirement (%)
		PM 2.5, mg/MJ	CO, g/MJ		
Household biomass cookstoves (carbonized and uncarbonized biomass fuel)	Minimum score of Tier 3 based on ISO 19867-1:2018 or Class 2 under US 761:2019 performance standards	Minimum score of Tier 3 based on ISO 19867-1:2018 or Class 2 under US 761:2019 performance standards	Minimum score of Tier 3 based on ISO 19867-1:2018 or Class 2 under US 761:2019 performance standards	≥ 88	≥ 90
Electric Pressure Cooker (EPC) & Electric Induction Cooker (EIC)	<ul style="list-style-type: none"> Winners or Finalists of the 2022 Global LEAP Awards for Electric Pressure Cookers (EPCs) Already included in the VeraSol Product Database, Undergone testing according to the relevant Global LEAP test methods with performance benchmarked satisfactorily against the lowest-performing Winner or Finalist product in the same size/form factor category in the most recent Global LEAP Awards competition Electric Induction Stoves that have undergone testing conducted by the Administrator using the “Rapid Product Assessment” test procedure 				

RBF Structure, Amounts & Request

Approach

- *Reverse auction process* - interested applicants lay out the amount of subsidy funds requested, the volume of products to be procured, and other data regarding intended market segmentation and impacts of HTCC product sales.
- *Per unit subsidy* – determined as a percentage of eligible product per unit Free on Board (FOB) origin price
- *Maximum subsidy cap* per individual participant – USD 50,000

Subsidy Disbursement

At time of Procurement/ Purchase / Confirmation of Product Manufacture	40%
Upon Verification of Product Sale	60%

Verification Process

2 STEPS

1. *Initial product procurement/manufacture*

Documents related to product purchase/manufacture

1. *Sale of product to end customers*

Carried out by third-party Verification Agent through telephonic and/or SMS and/or in-person customer interviews to verify that products have been sold to the end customers

NB: Requires participants to submit customer sales data to the Administrator

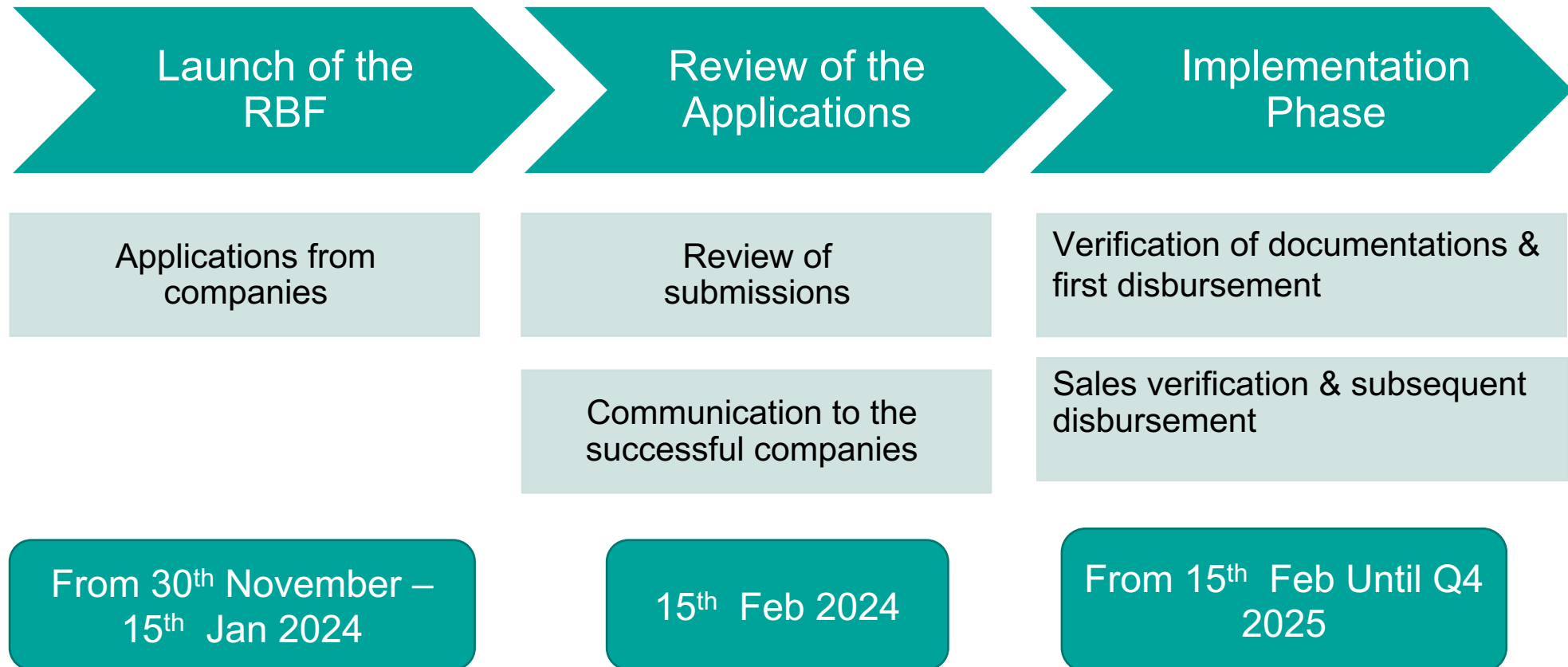
Subsidy Request Evaluation Criteria

1. **Value for Money:** Per unit subsidy amount requested. Wherever possible and relevant, subsidy requests for sales of a given product will be benchmarked against and compared to similar requests.
2. **Impact:** Total number of intended sales and expected beneficiaries (both direct and indirect).
3. **Market segment(s):** The portion of products that will be sold in off-grid, mini-grid, and grid-connected areas.
4. **Gender:** The extent to which sales will drive developmental benefits for women and girls.
5. **Additionality:** Narrative justification of how the subsidy funds will enable the Participant to reach more customers than they would through normal business operations.

Organizational Capacity: Ability to comply with all program verification requirements.

- a. Track record of prior sales of the same or similar products to end consumers.
- b. Ability to secure any additional financing required to finalize procurement.
- c. Ability to deliver end-use customer data for all product sales to the Administrator.
- d. Ability to provide an approach to after-sales service to end consumers as well as guidelines on end-of-life disposal.
- e. Ability to comply with local environmental regulations.
- f. Sales Timeline: A month-by-month projection of sales for the intended procurement. Bidders must demonstrate a viable plan to market and sell eligible products to end consumers by the program deadline.

Timelines and How to Participate



Co-financed by:



Ministry of Foreign Affairs



Coordinated by:



Netherlands Enterprise Agency

In partnership with:



Implemented by:

