

UN Capital Development Fund

Renewable Energy Challenge Fund (RECF): Clean Cooking Window **Information Session**

Programme: UNCDF CleanStart

Presenters: Hee Sung Kim, Eduardo Appleyard, Julius Magala



Renewable Energy Challenge Fund (2016 – 2020)

- **The goal of RECF** is to increase access to renewable, efficient energy for domestic, productive and social uses among underserved poor households especially in rural areas. By end of 2020, RECF aims to support 150,000 low-income customers transition to renewable energy.
- Central to RECF's approach is encouraging **women and youth's active participation in the energy value chain** as customers, employees and employers.



Three challenge windows



RECF will have three challenge/funding windows to support innovations in three groups of energy solutions:

- **Clean cooking solutions** include efficient cook stoves, biomass fuels (e.g., wood, charcoal, briquettes) and gasified fuels (LPG, biogas, ethanol) or a combination of stoves and fuels.
- **Pico solar power** includes solar lanterns that have mobile phone charging capacity or multiple lights with phone and other device charging capacity.
- **Larger solar solutions** include solar home systems or micro grids (solar or hybrid) that can power efficient appliances and equipment, and/or multiple homes or businesses.

Key Characteristics of the Fund



Target market: Uganda – with a focus on under-served, low-income customers, especially in rural areas.

Acceptable **Clean cooking solutions** include:

- *Improved cookstoves (e.g. charcoal or wood stoves);*
- *Fuels (e.g. briquettes, biomass pellets, LPG, biogas, ethanol);*
- *Solutions for households, businesses, as well as institutional applications;*
- *Or a combination of the above.*

Key Characteristics of the Fund



- **Type of funding:** Cost-sharing grant, paid upon achievement of milestones.
- UNCDF reimburses its corresponding portion of the project costs;
- Businesses must contribute at least 40% of the total project costs, with at least 20% in cash and the remainder in-kind;
- Companies are expected to have sufficient funds available to take on the initial investment required to kick-start their projects.

Key Characteristics of the Fund



- **Small Grants**: US\$50,000-US\$75,000 over a period of up to 2 years (2017-2019)
- **Large Grants**: Up to US\$150,000 over a period of up to 3 years (2017-2020)
- **Top-up grant**: Once the initial funding agreement has come to an end, UNCDF may provide top-up grants of US\$25,000 to US\$50,000 to its partners that consistently deliver the expected results and perform according to or beyond UNCDF's expectations.

Eligibility Criteria



For an application to be eligible, both the ***lead applicant*** and the ***proposed business idea*** must satisfy their respective eligibility criteria.

Type of entities that are eligible to apply:

- For-profit private companies, including social enterprises, or consortia led by eligible private companies;
- Other types of entities (e.g. NGOs, CBOs, etc.) can apply as part of a consortium led by an eligible private company;
- For-profit arms of non-for-profit organisations can also apply.

Eligibility Criteria



To be eligible to apply for funding, the *Lead Applicant* must:

- Be legally registered as a business and already operating in Uganda;
- Have a proven track record in their current line of business as well as adequate expertise in the field of clean cooking either in-house or through partnerships.
- Have the necessary internal capacity to launch the proposed project in Sept. 2017, generate new sales through the project by Q1 2018, and successfully execute the project within the agreed timeframe;
- **Be financially solvent and have the necessary financial systems in place** to be able to report to UNCDF on a regular basis and ensure transparent management of the grant;
- Have audited financial statements;
- Be able to **demonstrate the availability of the proposed cost-share progressively throughout the project duration.**
- Hold a valid membership to at least one of the national industry associations (e.g. UNACC, BEETA, UNBA, ULPGA, etc.) at the time of contract signing with UNCDF.

Eligibility Criteria



To be eligible for funding, the proposed business ideas must satisfy the following criteria:

- Increase access to clean, efficient, affordable, high-quality and durable cooking solutions in underserved regions of Uganda;
- **Products sold with support from the RECF must target primarily rural areas.**
Depending on the proposed clean cooking solution, applicants may also be allowed to target underserved peri-urban or urban areas.
- At its core, seek to have a **positive impact on women and youth** as consumers but also as active participants in the value chain by providing them with employment opportunities;
- **Commercially driven** and demonstrate a strong potential for **commercial viability, scalability and replicability**;
- Innovative in that it addresses gaps or barriers in the clean cooking value chain by either **improving existing business models** or **introducing new but tested business models**;
- Lead to a **step-change in the adoption of clean cooking solutions in the country** and have the **potential to transform the market**;
- **Implementable in September 2017** with new sales being made in **Q1 2018**.

Eligibility Criteria



Preference will be given to projects that include some of the following characteristics:

- **Localizes/expands the product supply chain** (e.g. manufacturing, distribution) to less established regions in Uganda;
- **Bridges the gap between manufacturing and the end market with a focus on last-mile distribution;**
- **Cross-sector, strategic partnerships** between organizations with mutually-beneficial expertise and economies of scale (e.g. distributors of PAYG solar adding cookstoves to their product offering);
- Promotes **locally manufactured products**. Imported products are also allowed but projects using locally manufactured products will receive extra points during the assessment of the EOIs;
- **Supports smaller, local manufacturers (more than one if possible)** e.g. through aggregation of local small manufacturers into a larger supply chain;
- Ideas that can tap into **agricultural value chains** (e.g. dairy farmers, maize or other crop producers, etc.) or work with different types of **community-based organisations or organised groups** (e.g. COOPs, VSLAs, SACCOS);
- **Integrates ICT** to make business processes more efficient.

Key Dates & Application Process



STAGE I EOI

Call for EOI

Launch 20.03.2017

Info Session Kampala
22.03.2017

Virtual Info Session
29.03.2017

Preparation of EOI

Deadline to share
drafts and inquiries
EXTENDED:
13.04.2017

Submission of EOI

Deadline for EOI
Submission
EXTENDED:
**20.04.2017 @ 17:00
EAT**

Assessment of EOIs

Announcement of
shortlisted EOIs
Mid-May 2017

STAGE II Full Proposal

Preparation of Full Proposal

Company consultations
& Due Diligence
5 weeks

Submission of Full Proposal

Deadline for Full
Proposals Submission
Second half of June
2017

Assessment & Selection

Announcement of
successful candidates
Mid-July 2017

Contracting

Negotiation of PBAs
3 weeks

Project Startup

Signing of PBAs
& Launch of Projects
September 2017

Delivery of First Milestones & Sales

Late 2017 or Q1 2018

First Disbursement upon
delivery of milestones

How to Apply



- Please complete the online **EOI Form**:
(DEMO) <https://uncdf.forms.fm/cleanstart-recf-clean-cooking-window>
- Prior to completing the online form, please download and read carefully the **General Information document**, the **FAQ document**.
- Print the **EOI Form** in PDF format and use it as a reference while filling up the online form;
- Download, complete and submit the **EOI Budget** (excel file); **(DEMO)**
- Submit a copy of your audited (or unaudited) financial statements (at least Summary page, P&L, Balance Sheet)
- Submit product specification sheets, test results, certificates photographs and product pricing information;
- Once the online **EOI Form** is completed and all required documents have been uploaded, please submit your application.

How will my proposal be assessed?



- **Technical merit (55%)** – Proposed project's potential to meet the RECF's objective of promoting innovations with wider market significance, including design, relevance, innovation, impact on customers (including women and youth);
- **Women and Youth Employment (5%)** – **Project ideas are required to promote women and youth employment.** Business ideas that incorporate this element in an innovative way and demonstrate a strong potential to deliver tangible employment opportunities, will receive a higher score;
- **Organizational capacity (35%)** – Ability of applicant to launch and implement the project idea and deliver the expected outputs and results within the project period. The applicant must also be able to sustain the initiative even after funding ceases;
- **Cost sharing (5%)** – a higher contribution (than the minimum 40%) scores higher.
- **Additionality:** Likely that funding for the business idea cannot be secured through mainstream forms of commercial finance or the project would not take place at the same scale or have the same development impact without support from the RECF.

Some Tips for Applicants



- **Preparation**; we recommend use of **tools** like BMC to structure your idea and ensure important areas of your idea are covered. It is important that your idea contributes to the challenge fund goal.
- **Eligibility**; ensure that your application meets the eligibility criteria otherwise innovative ideas only will not be selected.
- **Clarity** some of the investment committee members are not technical experts but business experts. Please avoid use of Jargons and be concise.
- **Partnerships** are encouraged in order to share responsibility and increase credibility of the application.
- If you **submit more than one application**, be sure to be committed to implementing all the ideas
- Make use of the **consultation period** to ascertain if application meets eligibility criteria.
- Submit applications on **time** to avoid last minute rush!!

Dos and Don'ts



- DO focus on innovation and market moving ideas for clean cooking solutions in Uganda;
- DO NOT seek support for expanding or strengthening core business activities;
- DO show a level of cost sharing of at least 40%, with no more than half of that amount as in-kind contribution;
- DO provide a realistic cost-sharing percentage;
- DO provide ambitious but realistic sales and outreach projections;
- DO complete the [online EOI form](#), answer all questions and submit it on time together with all the required documents.

Do you have any questions?

Please refer to the FAQ document.

If you have any queries not covered by these FAQs, or require any further clarification please e-mail

recf.uganda@uncdf.org

UNCDF will accept inquiries related to the EOI until
April 13th (EXTENDED)

Consultations & Feedback



Please book a time slot for a meeting (25min) or Skype call with a UNCDF team member using this link:

<http://doodle.com/poll/vzghwzucib7cttzm>

(Don't forget to enter your Name and Company Name)

Please send us your Skype username and telephone number.

Want to share a draft EOI with us before the meeting?

- 1) Complete the EOI online form (all sections)
- 2) Click "Preview" [Do not click "Submit"]
- 3) Click "Export a PDF"
- 4) Email us the PDF

UN Capital Development Fund



THANK YOU