



KOSAP Clean Cooking Solutions Challenge RBF Facility

Information Pack

November 2021

Prepared by the KOSAP Component 2 Facilities Manager

Overview

This information package describes the background to the CCS RBF Facility, eligibility of suppliers, technologies, and business models the incentive design, the process flow and environmental and social safeguards requirements.

The current Lot 2 CCS RBF Facility Call for Proposals is targeting Biomass-based technologies, Liquefied Petroleum Gas (LPG), Ethanol cookstoves and electric cooking appliances.

A separate call for Biogas shall be announced at a later date.

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1. KOSAP Background

1.1. Introduction to KOSAP

Driven by the imperative to provide equal opportunities across the entire Kenyan territory as key to achieving Kenya's Vision 2030, and the national target of achieving universal access to electricity by 2022, the Government of Kenya (GoK) seeks to close the access gap by providing electricity services to remote, low density, and traditionally underserved areas of the country. The GoK intends to use US\$150 million, in Kenya Shillings equivalent, of financing from the World Bank to deliver the Kenya Off-Grid Solar Access Project (KOSAP).

The KOSAP project promotes these objectives by supporting the deployment of clean cooking technologies for households, and the use of solar to drive the electrification of households, enterprises, community facilities, and water pumps. The Ministry of Energy (MOE), Kenya Power and Lighting (KPLC) and the Rural Electrification and Renewable Energy Corporation (REREC) – formerly REA- is implementing the project in 4 components:

1. US\$40M: Mini-grids for Community Facilities, Enterprises, and Households
2. US\$48M: Stand-alone Solar Systems and Clean Cooking Solutions for Households
3. US\$40M: Stand-alone Solar Systems and Solar Water Pumps for Community Facilities
4. US\$22M: Implementation Support and Capacity Building

SNV in partnership with SunFunder is the Facilities Manager (KFM) for Component 2, which consists of two sub-components that is, sub-component 2A for Solar Service Providers (SSPs) and 2B, which is a challenge and Results Based Financing (RBF) fund for Clean Cookstoves Service Providers. SNV manages the RBF fund in sub-components 2A and 2B, while SunFunder serves as the KOSAP Debt Facilities Manager for sub-component 2A. The implementation period for the project started in November 2018 and ends in June 2023.

The underserved areas, which cover the geographical scope of the KOSAP project, are identified as 14 counties, deemed 'marginalized' by the Commission on Revenue Allocation (CRA). Due to the remoteness and sometimes dispersed nature of the target populations and considering the socioeconomic profile and lifestyles of those residing in these counties. The project is designed to address high costs of provision of infrastructure services, low affordability of the potential users, and sustainability of service provision using an abundantly available renewable energy resource. These counties are: West Pokot, Turkana, Marsabit, Samburu, Isiolo, Mandera, Wajir, Garissa, Tana River, Lamu, Kilifi, Kwale, Taita Taveta and Narok.

1.2. KOSAP Cookstove Challenge Fund and RBF Facility (CCS RBF)

The KOSAP Clean Cooking Solutions Challenge RBF Facility (CCS RBF) is a US\$ 5 million incentive fund established as one of the sub-components of the Kenya Off-grid Solar Access Project (KOSAP). It is a window within the US\$ 47 million debt and results-based facilities under Subcomponent 2A of KOSAP, managed by the KOSAP Facilities Manager (KFM). The objective of the CCS RBF is to establish sustainable supply chains of higher-tier cookstoves and cleaner cooking fuels in KOSAP Service Territories (KSTs), where at present, few-cleaner and more efficient cookstoves are used by households.

Several factors influence the low penetration of higher tier cookstoves and cleaner cooking fuels, among them, limited knowledge of improved technologies and potential benefits among households and institutions. Low disposable household income levels, long distances from production centres (or core supply points), and lack of established relevant supply chains are other factors. This is aggravated by low population density and poverty. The impact of these barriers is insufficient interest from clean cooking technologies manufacturers and distributors to deploy their investments in these regions, given the perceived challenging terrain and low (or unknown) profitability.

To stimulate the growth of sustainable markets for cookstoves and cleaner cooking fuels in the target KSTs, the CCS RBF Facility will provide financial support to private sector companies, including manufacturers, wholesalers, and distributors. The aim is to address market barriers via several incentive mechanisms, so that sector players can venture into these areas and kick-start the market of higher-tier cooking solutions.

The CCS RBF Facility, therefore, enables and de-risks the associated commercial investments, creating an avenue for companies to venture into these more challenging markets. The overall incentive’s structure supports sustainable cookstove market-building, with sales made at unsubsidized market retail prices and local market knowledge being leveraged through diverse business models.

Through this intervention strategy, the facility seeks to stimulate the purchase and use of 150,000 higher tier stoves by households in a period of 5 years.

1.3. CCS RBF Participating Counties

The approach of the CCS RBF Facility intervention is to initiate activities in selected Counties and stimulate interest among the private sector actors. In this respect, the fund allocation aims for the deployment of RBF in eight Counties (KSTs), located in the north, north-west, south and south-eastern regions of Kenya.

These eight KSTs for the CCS RBF are clustered into two separate “Lots”, based on their locations, as shown in Table 1 and Figure 1. The initial Call for Proposals and activities focused on “Group 1 CCS Lots”, while Lot 2 Call for Proposals will now focus on Group 1 and Group 2 CCS Lots -in total 8 counties.

Table 1: CCS RBF Counties

Geographical Lot	Counties
Lot 1 (under implementation since June 2020)	West Pokot, Turkana, Marsabit, Samburu, Isiolo
Lot 2	West Pokot, Turkana, Marsabit, Samburu, Isiolo, Kwale, Kilifi, and Taita-Taveta

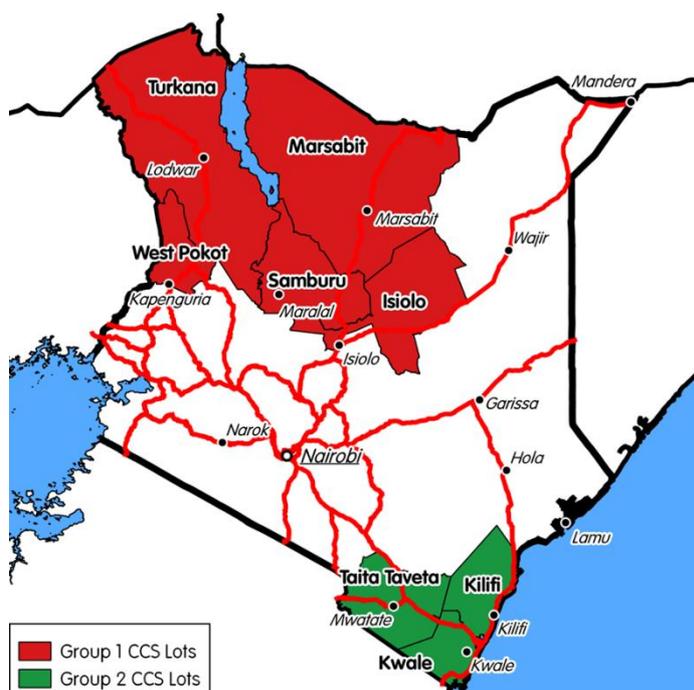


Figure 1: Geographical Representation of the CCS counties

1.4. KOSAP Facility Manager

The role of the KOSAP Facilities Manager (KFM) is to administer on behalf of GoK, activities stipulated under Component 2 of the Project, notably a Results-Based Financing (RBF) facility and a Debt facility for Solar Service Providers, and a Challenge and RBF facility for Clean Cooking Solutions Service Providers.

1.5. CCS RBF Facility Physical Address

The CCS RBF physical address is:

SNV Netherlands Development Organisation (SNV)

P.O. Box 30776 – 00100, Nairobi.

Telephone contacts: 0718 130909/0784130909

Email: enquiries@kosap-fm.org/www.kosap-fm.or.ke

2. Eligibility

This section gives details of the eligibility criteria of the CCS Challenge RBF Facility. It details the eligibility of suppliers, technologies, and business models and also those who can participate in the Project.

2.1. Eligible Suppliers

The Facility targets the manufacturers/brand owners, wholesalers, and distributors of clean cooking solutions that are committed to expand and sell products in the KOSAP Service territories (KSTs).

The applicants must be:

- (i) Registered in Kenya as a company; or
- (ii) Kenyan subsidiary of a multi-national company; and
- (iii) Part of a supply chain of an eligible clean cooking technology; and
- (iv) Committed to selling eligible products in the KOSAP Service Areas (KSTs).

2.2. Eligible Technologies

The clean cooking technologies eligible for participation in CCS RBF Lot 2 Biomass-Based technologies, LPG, Ethanol cookstoves and Electric Cooking Appliances. **A separate Call for Biogas technologies shall be communicated at a later date.**

Table 2: Eligible Technologies

Eligible Technologies	Contact/Company	Contact details
Category 1: Biomass-Based Technologies		
Ace Stove (Wood)	African Clean Energy	African Clean Energy, Mbale, Uganda Tel: +256 784 587345 kosap@africancleanenergy.com www.africancleanenergy.com
Biolite Home Stove (Wood), EcoZoom Dura (Wood), EcoZoom Jiko Fresh (Charcoal), Jiko Malkia (Charcoal), Jiko Bora Mama Yao (Charcoal)	Biolite Holdings	40 Peponi Rd, Nairobi, Kenya Tel: +254 799 863950/0800 720316 geoffrey@bioliteenergy.com / karin@bioliteenergy.com www.bioliteenergy.com
Kuni Okoa (Wood); Jikokoa (Charcoal) ; Jiko Extra, Jiko Turbo (wood), Mass Market Jiko (MMJ),	Burn Manufacturing	New Horizons Industrial Park, Ruiru, Kenya Tel: +254 700 667 788 kenya@burnmfg.com www.burnstoves.com
Eco-Smart (Wood)	International Life Fund	Lira, Uganda Tel: +256 778 828 634 info@lifelinefund.org www.lifelinefund.org
Envirofit Super Saver (Wood), Envirofit Super Saver (Charcoal)	Envirofit Kenya	Lavington Green Area Nairobi, Kenya Tel: +254 716 348786 / +254 711 708326 eastafrica-sales@envirofit.org www.envirofit.org
Jiko Kisasa (charcoal)	INTERGRATED STOVES AGENCY KENYA (ISAK)LIMITED	Muranga County isakenya@gmail.com Tel: +254725478802
Wisdom Jiko (briquette/wood)	Wisdom Hub Energy	North Kinagop, Nyandarua county Tel: +254 723 241 907 info@wisdomenergy.co.ke www.wisdomenergy.co.ke
Jiko Digi (wood)	Nyalore Impact	Homa Bay Town, Homa bay County Tel: +254 726942309 nyaloreimp@gmail.com
Brick Rocket Stove (wood)	Bio-Franca	Waridi Court, Suite 3 Rose Avenue-Kilimani Tel: +254 721 759068

Eligible Technologies	Contact/Company	Contact details
		info@biofranca.co.ke www.biofranca.co.ke
Ecomoto (charcoal)	Rokim Kenya Limited	Rironi, Limuru, Kiambu County Tel: +254 719281900 kim.@rokimkenya@gmail.com
Mimi Moto (pellets)	Better Cooking Company	102 Quarry Lane, Karen, Nairobi Tel: +254 796 549100 tom@bettercookingcompany.com
Lean Energy (pellets)	Lean Energy Solutions	Valley View Office Park, City Park Drive, Nairobi. Tel: +254 727 597853 partnerships@leansolutions.co.ke www.leansolutions.co.ke
Category 2: Liquefied Petroleum Gas (LPG)		
PAYGO Cylinder Smart Meter	PAYGO Energy	4th floor, Bishop Magua Center, Nairobi Tel: +254 700 930803 info@paygoenergy.co www.paygoenergy.co
H-Gas	Hunkar Trading Company	Tatu City, Ruiru Kenya Tel: +254 729170594 Finance@hunkargas.co.ke www.hunkargas.co.ke
HavGas	Fusion Experience	2nd Floor Crawford Business Park State House Road - Nairobi, Kenya Tel: +254 733 332333/+254 780 332331 Geofrey_Lusaggi@triconti.com
Category 3: Electric cooking		
Von and Nutri Bullet electric pressure cookers;	Hotpoint Appliances Ltd	Sukari Industrial Estate off Thika Superhighway Tel: 020 3699000 b2bsales3@hotpoint.co.ke
Table-top coil (single and double)	Hotpoint Appliances Ltd	
ECOA electric pressure cookers	Burn Manufacturing	New Horizons Industrial Park, Ruiru, Kenya Tel: +254 700 667 788 kenya@burnmfg.com www.burnstoves.com
Homesol electric pressure cookers	Elcom Networks	Elcom Plaza, Eastern Bypass, Kiambu County Tel: +254 706 230668 elcomnetworks@gmail.com www.elcomnetworks.com
Category 4: Ethanol stoves		
Blue Flame stoves	Blue Flame stoves AS	Oscarsgate 36A, 0258 Oslo, Norway Tel: +47-95009494 qeir@blueflame.no
Safi ethanol stove	Green Development	Mjeltemyrvegen 6, 3588 Dagali, Norway Tel: +47 936 30 730/+254 11 530 77 25 Hn@greendevlopment.no
Category 5: Biodigesters		
Portable Home biogas	Home Biogas	KCIC Strathmore Business School Madaraka, Nairobi Tel: +254 727 966 772 lyowenga@yahoo.com
Fixed Dome (Akut, Carmatec, KENDBM)	Byster International	KCIC Strathmore Business School Madaraka, Nairobi lyowenga@yahoo.com Tel: +254 727 966 772
Fixed Dome (Akut, Carmatec, KENDBM)	Bio-Franca	Waridi Court, Suite 3 Rose Avenue-Kilimani Tel: +254 721 759068 info@biofranca.co.ke www.biofranca.co.ke

2.3. Eligible Business Models

The CCS RBF Facility will support any viable business model/actor constellation with a viable business model, especially those that can achieve scale. Implementation acceptable to the CCS RBF Facility can, therefore, follow different models, for instance:

- (i) Single firm applications;
- (ii) Consortia; or
- (iii) Open agreements between parties in the value chain (multiple distribution options)

Mandatory involvement of manufacturers/brand owners in an application:

For all applicants to the CCS RBF Facility, the pre-condition is that their proposal must include an agreement with the manufacturer/brand owner of the approved product. The manufacturers/brand-owners must be an active actor in the business proposal, the intent is to arrive at sustainable supply chains, regardless of how incentives are shared down the supply line. It will be upon the recipients to manage incentive distribution among their partners.

Applicants are encouraged to explore and seek partnerships with county-based entrepreneurs.

2.3.1. Model 1: Single-Firm Applications

If applying as a single firm, the applicant must prove they are capable of organising the entire value chain (from manufacturer level end to the user level, with all necessary collaborations). Single firm applicants will be responsible for the whole supply chain and assuring that the products reach the end-users. The applicant is the sole and direct recipient of the CCS RBF incentives.

2.3.2. Model 2: Consortia

Consortia are organised constellations of actors, with specific roles, obligations and rewards and formalised agreements defining the cookstoves distribution chain *-modus operandi*. Not all relationships are governed formally, but the key ones should be.

Any applicant with a substantial interest in the proposed supply infrastructure can lead the consortium. The consortium leader is the lead applicant and the direct recipient of the CCS RBF incentives. The lead applicant will be required to articulate clearly the complete supply chain – and roles of all actors.

The lead applicant, who takes full responsibility for deliverables under the CCS RBF Facility agreement, will apply to the facility on behalf of all other consortium members. The proposal will explain clearly how incentives are shared (if that is the case).

2.3.3. Model 3: Multiple Distribution Options (Open Agreements)

In this case, the operational structure is similar to consortiums, with the exception that the relationships between actors in the supply chain are loosely defined and, in many cases, informal. An example is where distributors and retailers operate on a mutually agreed but undocumented together basis. The responsibilities of the lead applicant, in this case, will be the same as those of a single-firm applicant described above.

3. Incentive Design

3.1. Context and Incentive Types

The incentives applicable to the CCS RBF Facility comprises two types:

3.1.1. Type 1: Incentives Availed in Advance (Ex-Ante¹ Incentives)

The ex-ante RBF incentives are aimed at achieving specific and general barrier removal objectives when setting up supply chains before sales take place. The rationale of this component is that certain barriers and risk assessments deter companies from venturing into the KSTs including investments in the supply chain that may become sunk costs, in absence of RBF. The two categories of uses approved for the CCS RBF Facility are:

- (i) Costs related to the development of the supply chain;
- (ii) Inventory supply to activate sales along the supply chain.

3.1.2. Type 2: Incentives Availed After Selling Cookstoves (Ex-Post² Incentives)

These are result-based payments calculated based on an incentive per product sold. The rationale of this component is that the anticipated reward acts as an incentive for the company to take the necessary steps and risks (financial and operational) to make the sales happen in KSTs. The incentive payment after selling helps the company to recoup some of its costs, hence contributing to market barrier removal.

In this regard, the CCS RBF Facility will avail the ex-ante and ex-post incentives via three distinct categories:

- i. Ex-ante RBF for the Supply Chain Development**
An ex-ante RBF award is for generating market awareness, sales, and marketing (focused on maximizing the number of women sales agents) activities, management training, and operating expenses that are directly attributable to customer acquisition.
- ii. Ex-ante RBF for Inventory**
An ex-ante award to enable Recipients to finance product inventory from eligible manufacturers. Eligible inventory comprises product samples and stock for sale on a market testing basis. The number of units allowed for these purposes will depend on the supply chain expansion plan, but cannot exceed a percentage stipulated by the KFM, depending on the business model. Recipients operating under a similar business model in the same call for proposals will be subject to the same inventory incentive conditions, which will be announced in the call for proposals. Ex-post RBF incentive cannot be claimed for products financed under the ex-ante inventory incentive.
- iii. Ex-post (results-based) incentives**
Paid on a per-product (unit) basis to Recipients (awardees), once sales are verified by an Independent Verification Agent (IVA).

3.1.3. Incentive Conditions

- (i) Technologies must have been sold to end-users at market price (unsubsidized) to qualify for the Results-Based Financing (RBF). For each product sold, 37% of the market price (Kshs) will be awarded and paid once.
- (ii) Technologies sales must have occurred in an eligible county-one of those listed in the Lots under the CCS RBF to qualify for the CCS RBF.
- (iii) Other conditions may be added during the project timelines.

3.2. Negative List

Use of funds within the KOSAP Facilities will be limited by a negative list (purposes for which the funds cannot be utilized). These are the costs that are not acceptable as uses of the CCS RBF Facility and cannot be included as part of the applicant's proposal or payment claims/requests, irrespective of the circumstances.

- i. Costs that do not contribute to the objectives of the project
- ii. Business-as-usual costs, including normal overheads already incurred or which would be incurred without expansion into the KSTs
- iii. Apportionment or recovery of existing expenses of the company
- iv. Cost of items used/to be used outside the approved geographical areas
- v. Costs for cookstoves models or fuel types that are not eligible
- vi. Costs that are not verifiable

¹ Ex-ante means "based on forecasted results."

² Ex-post means "based on actual results."

- vii. Capital expenditure of fixed assets, including but not limited to purchase of vehicles, furniture, equipment, land and buildings
- viii. Laboratory stove testing costs
- ix. Cost of sales incurred outside KSTs
- x. Consumer price subsidies
- xi. Entertainment expenses
- xii. Costs incurred before and after the effective date of the funding agreement for the project
- xiii. Gifts
- xiv. Interest payments or service charge payments for finance leases
- xv. Costs related to non-authorized accompanying family members
- xvi. Bonus payments, remuneration or fees that include profits
- xvii. Statutory fines, criminal fines or penalties
- xviii. Depreciation
- xix. Payment of bad debts
- xx. Payments for unfair dismissal or compensation for dismissal or resignation of employees
- xxi. Replacement or refund of any funds lost to fraud, corruption, bribery, theft, terrorist financing or other misuses of funds

The example of the Ex-Ante eligible use of funds is as below and not limited to:

- Marketing and Awareness Creation
- Logistics/ enhancement of the supply chain
- Agent Costs
- Recruitment/ talent acquisition costs
- Market Assessment

The market entry payments will be paid in advance upon signing of the contracts by both the recipient and the Ministry of Energy, and the disbursement will be in a minimum of two tranches. These payments will depend on the completion of key interventions/activities which will be tailored per company and agreed upon during contracting. The KOSAP Facilities Manager will follow up with companies on the completion of milestones, as agreed in the work plans. In case a company is found to have misused the market entry payment, this company will be excluded from receiving RBF payments and they will not be allowed to apply to future rounds of KOSAP bidding.

4. Process flow

4.1. Preparation Phase

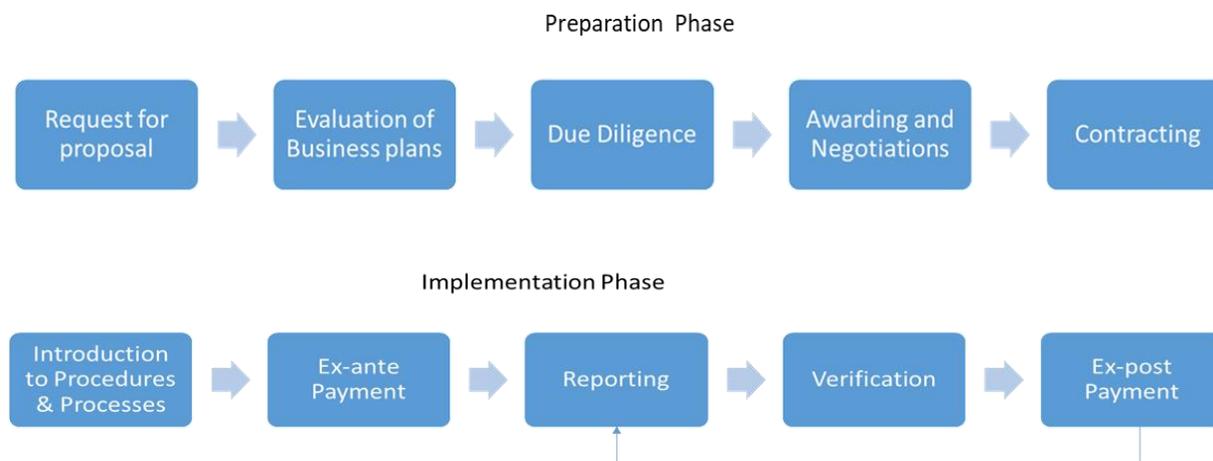


Figure 2: Processes in preparation & implementation

4.1.1. Request for Proposals

Eligible applicants will be invited to submit their respective proposals in which they will specify their request to the CCS RBF Facility, based on a Proposal Template provided:

The following elements are part of the expected business propositions:

- i. Practical and verifiable milestones are expected to trigger the Ex-ante RBF payments.
- ii. Details of the proposed milestones, including means of verification and self-reporting that will be presented to KFM as part of the monitoring and evaluation process.
- iii. Explanation on how sustainable supply chains of eligible technologies to the targeted counties are to be accomplished, under what conditions and requirements, and by what level of support from the CCS RBF Facility.

4.1.2. Evaluation of Proposals

The KOSAP CCS RBF proposal will be reviewed and scored by an Evaluation Panel.

Evaluation will start with the mandatory conditions that must be met before a proposal is admitted to a full evaluation. These are primarily eligibility "YES/NO" parameters, which lead to a "Go/No Go" result.

The scoring of the key elements (which are percentages) in the Technical Proposal will be combined with weights attached to each element. The weighted scores will lead to a total final score expressed as a percentage. A minimum overall pass mark of 70% has been set.

4.1.3. Due Diligence

The Applicant (and in the case of a consortium, the Lead Applicant) will be subject to due diligence. Other consortium members may also be involved in the due diligence as applicable and defined by the Evaluation Panel, during proposal evaluation.

The due diligence will be executed by the KFM before the Awards and Negotiation Phase, in order to enhance trust, understanding and gain the basis for proposed adjustments to any of the business propositions.

Due diligence will entail the screening of the companies by assessing risks of product sales, underperformance; social, economic and environmental safeguards; organizational strength; financial health; staffing; data management; and partners in the supply chain proposed.

4.1.4. Awarding and Negotiations

Once the negotiations are complete and the agreement reached, the KFM will prepare the CCS RBF Evaluation, Negotiations, and Awards Report and submit it to the MOE for approval. Once approval is granted by MOE, the KFM will proceed to contract drafting and submit the contract documentation to the MOE for review and execution between the Recipient and MOE.

Notification of awardees will be done through email. The KFM will communicate with the successful applicants and thereafter in their capacity as Recipients.

4.1.5. Contracting

The contractual obligations and benefits of a Recipient under the CCS RBF Facility will be documented in a formal agreement between the Recipient and the Government of Kenya, executed by the MOE. The Applicant enters into a contract with the MOE.

4.2. Implementation Phase

4.2.1. Induction of Applicants

After selection, award, and signing of contracts with the RBF Recipients, an induction training will be offered and organized by the KFM. The training aims to ensure that the successful Applicants understand the verification process and guidelines for reimbursements, expected outputs and achievements, monitoring and evaluation, reporting procedure and timelines, among others. The Recipient can then start executing all the activities stipulated to reach the milestones.

4.2.2. Implementation and reporting

The recipient will continue with implementation and reporting as per the agreed milestones and timelines.

4.3. Verification Guidelines

The verification agent (through the Ministry of Energy) will be responsible for checking data reality by reports review, systems review, phone calls and field checks.

5. Environmental and Social Safeguards

The KFM recognizes all safeguards policies triggered by the KOSAP project and the subsequent safeguard documents prepared for KOSAP (by RREC and Kenya Power) and the World Bank Environment and Social Safeguard Policies.

Specifically, the following documents inform the safeguards approach and actions of the KFM and Recipients of support by the KOSAP RBF and Debt Facilities.

- The Environmental & Social Management Framework (ESMF) – Environment & Social Unit, Safety, Health & Environment (SHE) Department of Kenya Power, RREC and MoE.
- Vulnerable & Marginalized Groups Framework (VMGF), March 2017 – Ministry of Energy and Petroleum (MOEP), Kenya Power and Lighting Company (KPLC) and Rural Electrification and Renewable Energy Corporation (RREC)
- Social Assessment (SA) Report for Kenya Off-Grid Solar Access Project (KOSAP) for KOSAP Service Territories – Norken International Limited, March 2017.

In recognition of policies triggered by CCS project activities, the applicants are required to provide mechanisms of addressing any negative impacts associated with the project.

- *A. Op/Bp 4.01 Environmental Assessment*; Applicants will need to show proof of waste management policies/guidelines and 'how to dispose of' the product/parts in the product catalogue. Applicants will be required to show Occupational Health and Safety manual/ procedures or mechanisms.
- *B. OP/Bp 4.10 Indigenous people*; in the KSTs, the applicants will be required to provide free, prior and informed consultation with VMGs to ensure they are informed about and are able to benefit from project activities
- *C. Involuntary Resettlement (OP/BP 4.12)*: If the applicant intends to start a new factory for business in KSTs, it's a requirement to ensure compliance with NEMA regulations either for urban development or establishment of a processing or manufacturing plant and with the World Bank's requirements for involuntary resettlement where land acquisition is involved.

5.1. The role of the Clean Cooking Service Providers

The Clean Cooking Service Providers must undertake to demonstrate and implement appropriate environmental protection mechanisms through handling waste generated and mitigating any foreseen negative environmental and social impacts.

5.2. Gender and Social Equity

The Kenya National Commission on Gender and Development Act, 2010 promotes gender equality and the target groups include women, youth, children, older persons, people with disabilities and marginalized groups. The applicants need to show how their activities in the KOSAP Service Territories will address this aspect.

5.3. Grievance Redress Mechanism

The typical steps in a grievance resolution mechanism (GRM³), adopted by the KFM for purposes of KOSAP Component 2, are shown in figure 5.

³ Source: Adapted from the UNDP Grievance Redress Document

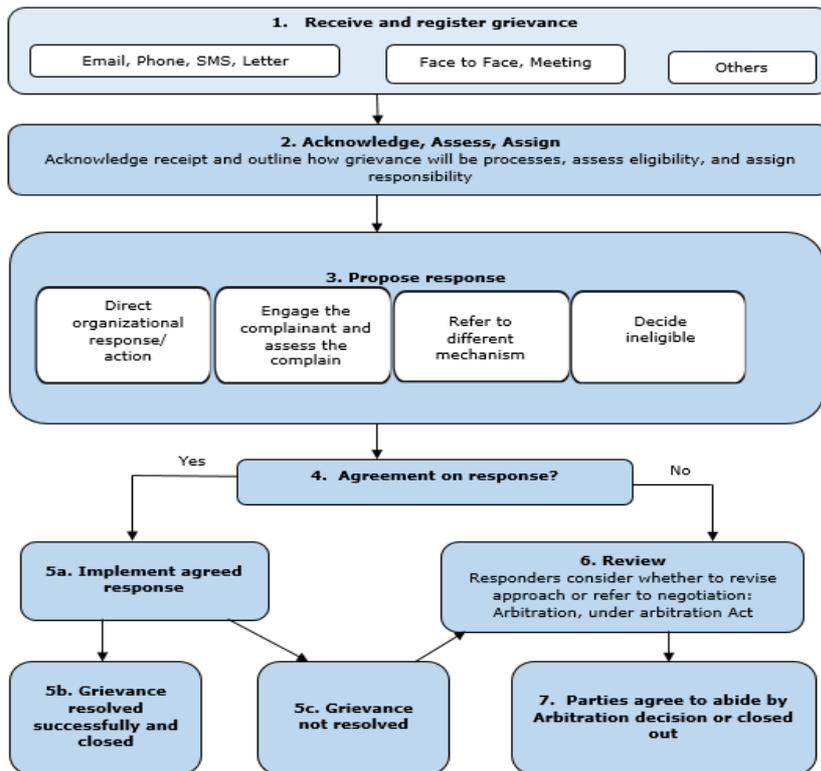


Figure 3: Grievance Redress Process

5.4. Fraud & Corruption

The KFM has a zero-tolerance attitude towards fraud and corruption. The KFM sets out the course of action that has to be taken when fraudulent activity is suspected or has taken place below. The KFM intends to foster and maintain an anti-fraud culture by promoting consistent organizational behaviour by providing guidelines and assigning responsibility regarding the prevention, detection, and investigation of fraudulent activity. The KFM requires the bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any person involved in the implementation of this project to observe the highest standard of ethics during the project implementation process and refrain from Fraud and Corruption.

5.4.1. Initial Reporting

Any KFM team member who is aware of fraudulent activity or suspected fraudulent activity within the project will, depending on the circumstances of who is thought to be involved in the (suspected) fraudulent activity, report to one of the following, in order of preference:

- The project team leader will be informed of the (suspected) fraudulent activity. The team leader is required to report the concern to the SNV Country Director who will inform the Internal Audit Unit manager (SNV).
- If the team leader is involved in the suspected fraudulent activity, staff members will report concerns directly to the SNV country director who will report the details to the manager internal audit.
- Any investigative activity required will be conducted without regard to any person's relationship to the SNV and SunFunder, position or length of service.

For more information:

KOSAP Component 2 Facility Manager,
Ngong Lane, Off Ngong Road,
P.O. Box 30776 – 00100, Nairobi.
Telephone contacts: 0718 130909/0784130909
Email: enquiries@kosap-fm.org
www.kosap-fm.or.ke

6. Frequently Asked Questions.

1. Are joint ventures allowed where a company doesn't have many years of experience?

Yes, companies can form consortiums to strengthen their supply chain. Clear roles need to be outlined for ease of their own administration. Companies can form a Consortia or have Open agreements between parties in the value chain (multiple distribution options). Partnerships with financial institutions is also allowed for access to finance to end users.

2. When checking the audited accounts, is there a threshold in terms of turnover say KES 5 or 10 million for a company to be considered under KOSAP?

No, the project doesn't put thresholds. We are keen to work with small, medium and large companies so long as they contribute to the project objectives.

3. Can I introduce a new product which is not in the list of approved products and what is the process?

For Lot 2 Call for Proposals, the facility is working with the provided list of Eligible Technologies. The process of selecting new technologies was closed in February 2021. Stakeholders are encouraged to seek partnerships with eligible manufactures/brand owners.

4. Is there a guidance of how much money a company should apply for?

The KOSAP Facilities manager does not provide this form of guidance. There are 2 forms of incentives:

a. Challenge Fund/ Ex ante

Aimed at achieving specific and general when setting up supply chain before sales takes place. The challenge fund under KOSAP cater for incremental costs related to expansion of sales in the KOSAP counties. Business costs vary from one business model to another. The Ex-ante is competitive .

- Supply Chain Development: Costs related to the development of the supply chain
- Inventory: Cost related to obtaining some sample products for testing the target market.

b. Result Based Financing/ Ex post

Is an instrument that links financing to pre-determined results, with payment made only upon verification that the agreed-upon results have actually been delivered. In an RBF program payment are made based on the quantity and services delivered after verification.

The amount of RBF will depend on the market price of the product and number of projects one intends to sell . For examples if one is selling a product of KES 5,000 then ex post will be 37% x 5000 x target units.

5. How can one reach out to the companies whose products are eligible?

The KOSAP Facilities Manager website (www.kosap-fm.or.ke) has provided the contact details of all the manufacturers and brand owners of eligible products.

6. Is there a limit to how many products I can sell?

The CCS RBF Lot 2 aims to sell 90,000 products by June 2023. An applicant determines a realistic target based on the company capacity.

7. Can an RBF beneficiary in Lot 1 participate in further rounds?

Yes, an RBF beneficiary in Round 1 can participate in further rounds.

8. What is the length of the contracts?

All contracts will run till June 2023 , which is end date of the project. The contract is between a company (recipient) and the Ministry of Energy.

9. How will the applicants get information about the call for proposals?

The KFM will place an advert in the newspaper and communicate to all the applicants on email. The applicants can contact KFM on Phone and through the website (www.kosap-fm.or.ke). They can also get information from CREOS who are located in all the 14 County offices, and they are part of the KOSAP MOE team.

10. What are the next steps after pre-application meeting?

The KFM will share an information pack with all the stakeholders. The call for proposals will be announced via email and through a newspaper advert and will be valid for 60 days. This time is allowed to enable stakeholders explore partnerships and also develop their business proposals.

11. Is previous experience in clean cooking products a Mandatory requirement?

We expect that the applicants can demonstrate their ability to deliver on the agreed sales targets as well as comply with the company and product eligibility. You must also demonstrate track record as well as the relationship with manufacturers.

12. Are institutional stoves allowed in this call?

No. KOSAP component 2 only focuses on households. There will be a separate call for institutional stoves for which the Ministry of Energy will communicate this through all the relevant channels.

13. Can I Contact the KFM during the application process?

Yes, you can contact the KFM through email only. Your question will be answered, and the answer shared to all participants through the updating of the FAQs

14. Is the evaluation of established and emerging companies the same across board?

the KFM has the same evaluation for all companies that apply to the project. Evaluation is uniform. The KOSAP project is keen to work with all forms of companies

15. When is the project closing?

The project closure period is June 2023. If this is extended, it shall be communicated to all stakeholders.