

Promotion of Improved Stoves for Productive Use (PU) and Social Institutions (SI) and Solar for PU

Cooperation with **last mile entrepreneurs and artisans/technicians** in enhancing market development and access of good quality solar for PU and improved stoves for PU and SI

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1.1 Preamble

This document has been prepared by GIZ – EnDev Kenya for guiding support to activities relating to solar for productive use (solar PU) and improved stoves for PU and SI. It is specifically prepared for guiding cooperation and partnerships with last mile entrepreneurs and technicians/artisans promoting solar PU technologies/systems or improved cookstoves (ICS) through a commercial/market-based approach.

1.2 Energising Development Kenya Programme (EnDev Kenya)

The Energising Development (EnDev) programme is a strategic partnership of likeminded donors to promote energy access. EnDev is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Netherlands Ministry of Foreign Affairs (DGIS), the Norwegian Ministry of Foreign Affairs and the Norwegian Agency for Development Cooperation (NORAD) and the Swiss Agency for Development and Cooperation (SDC). Further funding has been provided by the Australian Department of Foreign Affairs and Trade, the European Union, Icelandic International Development Agency, Irish Aid, Korea Foundation for International Healthcare, Swedish International Development Cooperation Agency, The UK Foreign, Commonwealth & Development Office, and the United States Agency for International Development. The programme is implemented in close cooperation with leading international organizations and key local stakeholders. The programme is co-managed by Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH and Netherlands Enterprise Agency (RVO.nl). EnDev works in more than 20 countries across Africa, Asia and Latin America.

Energising Development Kenya Programme (EnDev Kenya) was launched in 2006 and is composed of two core components i.e. cooking energy, promoting access to modern and improved cooking solutions (ICS) as well as off-grid electrification, promoting access to stand-alone solar systems. EnDev Kenya interventions targets households, social institutions, and small businesses particularly in rural and peri-urban areas. EnDev Kenya is implemented by GIZ, SNV, Practical Action, Energy for Impact and CLASP covering at least 20 counties in Lake Victoria, Western, Central, Lower Eastern, Coast and Northern regions in Kenya.

1.3 Overview and overall goal of stoves for PUE and SI interventions

a) Stoves for productive use and social institutions

The stoves component of the project focuses on ICS for Social Institutions & Productive Use, aiming to increase the penetration of improved cookstoves by supporting interventions on marketing, stimulation of access to quality products, distribution channels and technical and after sales services. Capacity of the informal sector suppliers will be enhanced via professionalization and expansion of qualified installer networks. Awareness creation and targeted behavior change campaigns will lead to higher demand and adoption as well as to enabling sector environment.

b) Solar for productive use

The solar component of the project focus on Solar for Productive Use (solar for PU). Solar for PU entails solar solutions (both electrical and thermal solutions) for income generation primarily for small scale businesses (both individual and enterprise set-up). The project supports efforts towards enhancing the supply, distribution and access of solar for PU for SMEs.

Under the solar component of the project, the project seeks to accelerate access to appropriate, reliable and affordable energy services for the small and micro enterprises (SMEs), by establishing and strengthening supply and distribution of solar powered systems for productive use by the SMEs (including but not limited to small scale traders, small holder farmers, micro enterprises).

1.4 Duration of the project

The current phase of the project will end in **December 2021** with possibilities of extension to 2022.

1.5 Potential partners

The project will partner and collaborate with the following categories of organizations in order to achieve the above goal:

- a) **Existing and new Installers/stockists of quality ICS for PU and SI:** These are Individual/registered Sole Proprietors constructing/installing/distributing stoves for PU and SI and solar for PU on a commercial basis. The aim of partnering with these entities is to focus on enhancing the construction, installation and distribution channels of the promoted technologies and creating the relevant awareness to stimulate demand. This shall also involve improving the after sales services especially user education.
- b) **Last mile entrepreneurs of solar for productive use technologies:** These are smaller enterprises or individual agents promoting solar for PU technologies (solar PV, solar water heating, solar drying e.t.c)
- c) **Solar technicians** for solar for PU technologies (solar PV, solar water heating, solar drying)

1.6 Eligible ICS technologies

a) Improved cookstoves (ICS)

The project will promote access to improved cookstoves for businesses and social institutions that meet EnDev criteria for improved stoves: fuel savings of 40% for firewood and 30% for charcoal stoves.

b) Solar for productive use technologies

The project will promote access to **small and medium solar solutions** appropriate for productive use in business settings either for **electricity** or **thermal applications**. The focus for these solar solutions should be for income generation. The project will give priority to quality products and suppliers who will provide after sales support including product warranties. The products or systems shall include but not be limited to **solar pumping, solar cooling, grinding, milling, solar powered incubation/hatchery** e.t.c for electricity applications and **solar drying, solar water heating** for thermal applications. Other business solutions may include **barber, entertainment, and phone charging kits** among many others. The project will remain open to new but tested ICS and solar powered solutions targeting SMEs as end users of the technologies.

1.7 Eligible activity areas

The project shall focus on, but not be limited to, the following activity areas:

- a) Promotion, marketing and awareness creation particularly through production of marketing materials for last mile distribution channels, consumer education, promotional events and demonstrations
- b) Training and capacity building for last mile distribution channels particularly last mile entrepreneurs (LMEs).
- c) Enhancing technical capacities, quality assurance and after sales support/mechanisms including training of technicians.
- d) Business to business linkages to strengthening rural and peri-urban distribution channels.
- e) Facilitate linkages with financial institutions/intermediaries to catalyse and increase access to finance for solar for productive use solutions
- f) Promotion of access to consumer finance

1.14. Possible type of support extended to LMEs

- a) Transportation costs to venues and local running
- b) Food and accommodations
- c) Public health certificates and permits for live demonstrations.
- d) Entry/Registration to/for formal events to publicize stoves
- e) Promotional materials and events equipment e.g, Public Address Systems and tents, other aids to demonstrate stoves like foods, demo stoves, fuels and utensils.
- f) Personal development: skills in business (marketing, management) and technical (innovation and human development)-including linkages, business formalization.
- g) Others (to be discussed on a case by case basis subject to eligibility)

1.8 Opportunity for Cooperation with last mile entrepreneurs/artisans/technicians

EnDev Kenya shall invite existing and potential last mile entrepreneurs or artisans/technicians to register their interest of being supported by GIZ in promoting stoves for PU & SI and solar PU technologies.

The call for registration for 2021 commences in **May 2021** and this will run on a rolling basis until **December 2021** with the possibility of extension subject to the extension of the project. GIZ shall evaluate the applicants and thereafter the applicants will be informed on their eligibility to participate in the project.

1.9 Specific application requirements

The project seeks to support sole LMEs or artisans/technicians (here in referred as beneficiaries) which meet the following requirements:

- a) Individuals/Sole Proprietors trained in the relevant technologies, with at least 3 years operations
- b) Willingness to participate in the project whose interventions shall be through a **results-based support approach/Subsidy**
- c) Operates a bank account, registered phone line and traceable location
- d) Reporting to EnDev (for existing LMEs or artisans/technicians)
- e) New LMEs should report to EnDev for at least 2 months for them to be eligible for support

1.10 Project Contribution to Support Beneficiary Enterprises/Individuals

The project will support the participating LMEs or artisans/technicians through **technical assistance or direct support/facilitation** of jointly planned and agreed upon measures. The support from the project shall be affected through results-based approaches based on the agreed upon milestones/results.

There will be no flow of funds to the enterprise/individual. GIZ and participating enterprises/individuals shall plan, allocate and agree the measures to be implemented. GIZ will thereafter facilitate the implementation of the agreed upon measures and will directly pay for the required goods, services, or support. The activities facilitated by GIZ shall be done in line with **GIZ financial and procurement processes**

1.11 Modalities of engaging Beneficiary Companies

GIZ shall engage with the participating enterprises/individuals through a **Letter of Intent (LoI)** which stipulates the terms and scope of support provided by GIZ and is not legally

binding. The Lol is only limited to when GIZ is providing **exclusive support** to the participating LMEs or artisans/technicians. **Non-exclusive support** does not require Lol.

1.12 Monitoring and sales reporting

EnDev Kenya undertakes close monitoring of the achieved results and the additionality of the project. The participating enterprise/individual shall therefore be providing specific monitoring data to GIZ-EnDev Kenya. This data shall include but not limited to sales data, LMEs details and end-consumer details. The information collected shall also be verified from time to time. GIZ and the partner company shall therefore agree on an effective and efficient method for collecting and verifying the data including relevant data collection tools. These monitoring and reporting modalities shall be stipulated in the agreement/contracts.

1.13 Other considerations

There is generally slowed down of operations in the Country due to government public health guidelines and restrictions because of Covid-19 pandemic. This will change gradually as the situation return to normalcy. The project shall also support specific Covid-19 response measures related to the above activities for instance provision of protective equipment and related support which shall be assessed on a case by case basis before approval.