

# SEE - Clean Cooking

## Higher Tier Cooking Component – Ethiopia Annex 5: Frequently Asked Questions

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## Annex 7: Frequently Asked Questions

### 1. What is the Higher Tier Clean Cooking project?

The Higher tier Cooking Component (HTCC), as part of the larger ‘Strengthening the Entrepreneurial Ecosystem for the Clean Cooking sector’ project, aims to support the development and growth of the higher tier clean cooking market in selected countries.

The project builds on the combined technical and country experience of the Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH and the SNV Netherlands Development Organisation under a consortium partnership for HTCC. Both organisations bring in significant country and sector experience, including years of experience with market-based interventions in the clean cooking segment. In the consortium, GIZ is responsible for the general coordination of the project and the implementation of the Innovation Challenge Fund, sector coordination at macro/ political level, and knowledge management. SNV leads the Results-Based Financing Fund and pipeline development support as well as sector coordination at meso-level. In addition, SNV bringing in strong expertise in standards and testing.

### 2. What is the HTCC Innovation Fund?

The primary objective of the Innovation Challenge Fund (ICF) is to stimulate innovation and accelerate the adoption of higher tier clean cooking solutions in Ethiopia by providing financial and technical support to entrepreneurs and businesses in this sector.

### 3. What innovations is the HTCC Innovation Fund looking for?

The ICF will only support entrepreneurs and businesses that focus on higher tier clean cooking solutions such as advanced biomass cookstoves and electric stoves, or other innovative technologies that can significantly reduce emissions and fuel consumption compared to traditional cooking methods. Applicants should target one or more of the following thematic areas:

- A. Technology innovation: Development or improvement of clean cooking technologies that meet the needs and preferences of Ethiopian households, considering factors such as cost, efficiency, safety, and cultural acceptance and appropriateness.
- B. Business model innovation: Design and testing of new business models, or distribution strategies that can help scale up the adoption of clean cooking solutions in rural and urban areas.
- C. Pricing scheme innovation: Design and provide pricing methods that can attract diverse consumers with different income levels based on affordability.

### 4. Who can apply? What are the eligibility criteria for applications?

To be eligible for funding under the ICF, applicants must meet the following criteria:

- Be a legally registered entity in Ethiopia (e.g., private company, partnership company, research institution, scalable projects with a proof of concept or evidence of a successful pilot, non-governmental organization and Government organizations).
- Submit a detailed project proposal that addresses one or more of the thematic areas mentioned above and clearly outlines the expected outcomes, timeline, budget, risk mitigation strategies and clear gender and leave no one behind strategy.

- Provide evidence of in-kind contributions (team members, working areas, working capital etc. from other sources to ensure financial sustainability and leveraging additional resources.
- Be an organization that promotes or intends to promote clean cooking technologies / research / businesses
- Must be physical established in Ethiopia and your project idea will be implemented in Ethiopia.
- Organizational profile (including organogram, admin and financial manuals, Curricula Vitae and list of key technical and financial staff (as applicable) including qualification, and senior management),
- Demonstrate how current internal resource and technical capacity of the enterprise provides sufficient ground to utilize the requested funding in catalytic manner
- Request a grant funding amount within the stipulated range and technically capable to utilize the fund requested with proper due diligence. GIZ may commission external due diligence check on the prospective organisations to assess their legal framework and technical capacity to utilise the fund before having grant agreement.
- Applicants should target one or more of the following thematic areas:
  - Technology innovation: Development or improvement of clean cooking technologies that meet the needs and preferences of Ethiopian households, considering factors such as cost, efficiency, safety, and cultural acceptance and appropriateness.
  - Business model innovation: Design and testing of new business models or distribution strategies that can help scale up the adoption of clean cooking solutions in rural and urban areas.
  - Pricing scheme innovation: Design and provide pricing methods that can attract diverse consumers with different income levels based on affordability

## 5. What funding and support do successful applicants receive?

The allocated budget for the ICF is EUR 250,000 (EUR 170,000 for Grant ICF and EUR 80,000 for Local Subsidy) to be granted for 10 to 20 winning enterprises with HTCC technologies in up to three rounds of call for applications. GIZ reserves the right to limit the number of call of applications and also has the right decide on exact amount of grants from ICF/ Local Subsidy scheme for winning applicants.

- EUR 170,000 for Grant ICF: This will be for Midum to big Micro and Small enterprises which according to Ministry of Trade and Industry (MoTI)
  - Medium enterprises: are business enterprises with a total investment between Birr 500,000 (8,500 Euro) up to Birr 1 million (16,500 Euro) and including those enterprises that have high technical consultancy and excluding other high-tech establishment.
  - Big Enterprises: are busines enterprise with total investment more than 1 Milliion Ethiopian Birr (16,500 Euro)
- EUR 80,000 for Local Subsidy: This will be for Micro and Small enterprises which according to Ministry of Trade and Industry (MoTI) are
  - Micro enterprises: are small businesses with total capital investment not exceeding Birr 20,000 (400 Euro) and excluding these enterprises with high technical consultancy and other high-tech establishment.
  - Small enterprises: are businesses with a total investment between Birr, 20,000 up (400 Euro) to Birr, 500,000 (8,500 Euro) and do not include these enterprises with advanced technology and high technical consultancy.

The Innovation challenge fund is planned to support 10 to 20 enterprises and the fund will range from EUR 5000-25000 per company.

## 6. How do I apply?

The innovation fund assesses applications on a competitive basis. First, applicants are invited to submit a concept note (template will be provided) for an open call for innovations. Following that, selected applicants will be invited to submit a full proposal.

To apply send your Concept Note application form (Annexed for stage one), Proposal (Annexed for stage two) and proof of legal registration in Ethiopia [htcceth@giz.de](mailto:htcceth@giz.de) by the deadline: 4:00 PM on January 27, 2024

## 7. What are the target areas of the HTCC project?

The HTCC in Ethiopia will target two distinct clean cooking segments (higher tier biomass cookstoves and e-cooking appliances) and the following regions: Addis Ababa, Oromia, Amhara, Southern Nations, Nationalities and People (SNNPR), Sidama, South West, Gambella as well as Afar, Somali and Benishangul-umuz. Tigray is not included for the time being due to security reasons.

## 8. When can I apply? And what is the application process

The ICF call for application will be published and hosted on GIZ EnDev HQ website (Calls – EnDev). The applicants will be able to access and upload application to the respective website from Ethiopia. This call will be communicated externally through national advertising agencies (e.g. Social Media (EnDev Website, facebook and LinkedIn), newspaper, radio, networking platforms of Associations and alliances etc. wherever possible). The applicants will send the soft copy of their application through GIZ procurement email that will be included in the announcement.

The ICF will be conducted upto 3 rounds during the project period (Until September 2025) as mentioned above. These rounds may not be running one after the other finishes. The innovation challenge fund assesses applications on a competitive basis. The application process for the ICF will consist of two stages:

1. **Submission of concept notes (Stage One):** Applicants will be required to submit a brief concept note outlining their project idea, how it is innovative, and its alignment with the objectives and thematic areas of the ICF. Interested applicants will have upto 3 weeks to submit the concept note. GIZ will organize an ICF orientation webinar for all interested applicants which will be held possibly on the third day after the ICF is launched and will be communicated with the call for application, The evaluation result will be announced in 1-2 weeks after application is closed and based on an initial screening, shortlisted applicants will be invited to submit full proposals.

Applicants are required to submit a concept note (Annexed) of maximum two pages in line with the template provided. All submitted concept notes which meet the application requirements will be reviewed by a Selection Panel based on the criteria. The selected applicants will be notified and invited to participate in the next stage of the competition.

2. **Submission of full proposals (Stage Two):** Shortlisted applicants will be asked to provide a comprehensive project proposal that includes detailed information on the project's objectives, activities, budget, monitoring and evaluation plan, and

sustainability strategy. 3 weeks will be given for applicants for submission of full proposal after shortlist announcement is done and interviews of pitch will be conducted for shortlisted applicants. Evaluation and request for on-shelf documents will be done in 1-2 weeks after proposals are submitted from applicants. And results of final evaluation and announcements of winners will be done after 1 week, after collection of onshelf documents.

Applicants who will be invited to participate in the proposal stage will submit a full proposal in a standard format (max. 10 pages). The format will be made available (Annexed). It includes a description of the business case, the expected impact, an operational plan, learning plan and full estimated budget. In preparation of the proposal, applicants are encouraged to contact the GIZ HTCC team in country to inquire how (stronger) connections between the HTCC project and their innovation can be created.

The following document must be attached to your proposal upon submission:

- 1) Renewed Business License
- 2) Tax clearance letter
- 3) Request a grant funding amount within the stipulated range
- 4) Annual Audit Reports of Previous Two Consecutive Years for VAT registered companies
- 5) Tax Identification Number (TIN) Certificate as required by law depending on the status of the enterprise
- 6) VAT Registration Certificate as required by law depending on the status of the enterprise
- 7) Consent letter for Product Warranty provision for already existing products (Thematic area B and C)

#### 9. How will the applications be evaluated?

- A. All proposals received by HTCC Ethiopia team before deadline will go through a multi-level process of evaluation with regards to several criteria announced in the call: eligibility, selection/evaluation and award criteria. The evaluation of proposals will be carried out in the strictest confidence. And submitted applications will be reviewed by the evaluation committee that will include experts from GIZ, MoWE, ECCA, Ethiopian Women in Energy Association (Technical Expert) and Ethiopian Intellectual Property Authority (EIPA) based on the criteria. The evaluation committee may conduct reference check on the application/information provided.

All criteria and mandatory supporting documents are specified in the Call for proposals. Please read these criteria carefully. Proposals failing to meet the criteria will be excluded at the given stage of the evaluation process.

Once the proposal is submitted, the applicant is not expected to contact the HTCC Ethiopia team/the evaluation committee until the proposal evaluation is completed. Any evidence of influencing by the applicant on decision of evaluation committee will automatically result in disqualification of application.

- B. Due Diligence: A detailed due diligence will be conducted by an independent audit consultant under an existing GIZ framework contract as part of the evaluation process during which legal, financial, and commercial compliance aspects of the applicant will be assessed. This may involve site visits, interviews with management, staff, and review of a company's financial and legal documentation where necessary. Shortlisted applicants will be required to participate in this process and provide the relevant

information/documentation to the audit consultant to facilitate this due diligence process.

- C. Pitch Sessions: The panel of experts will have a pitch and interview with the shortlisted applicants after the evaluation of documents is finalized. The shortlisted participants will be invited for a pitch session in presence of the GIZ – HTCC Ethiopia team who will evaluate the project proposals as well as presentations based on predefined criteria, including technical feasibility, innovation potential, scalability, and sustainability.

## 10. What is the selection Criteria of the project?

The evaluation committee will use the evaluation Criteria set (Annex 5-Concept Note and Annex 6 – Full Proposal) to evaluate the application based on the mandatory as well as weighted set criteria which will then be added to find the concrete decision on each applicant. The ICF competition is expected to be highly competitive. A weak element in an otherwise good proposal may lead to a lower overall score, resulting in the proposal not being recommended for the funding.

As a general guidance, both the concept notes and the full proposals will be evaluated based on the following criteria:

Selection Criterion	%Value
<b>1. Degree of innovation:</b> How new, original and creative the proposal is and whether it is set-up to test and assess the innovation. Along with innovation approach, innovative products and processes that are focused on environmentally friendly technologies, energy saving and using alternative energy sources will be prioritised.	30%
<b>2. Impact, scalability and Sustainability:</b> The impact created should serve the HTCC project and feed into the project’s expected results, which specifically is Scaling-up existing, and fostering new, higher tier cooking products using a tailored approach through the Innovation Challenge Fund. In a wider sense, this also covers the potential to accelerate impact towards achieving SDG7, increasing the number of beneficiaries, feasibility and potential to become financially viable and scalable without further grants.	35%
<b>3. Alignment with HTCC Sector:</b> The extent to which the proposed innovative solution aligns with the activities in country and the broader HTCC activities. Consult the Note on the Thematic Focus to ensure alignment with HTCC.	10%
<b>4. Organizational Profile:</b> The organization and the team’s experience with the area of innovation, roles and responsibilities and (time) commitment. Innovative and sustainable partnerships that add value.	10%
<b>5. Gender and LNOB+:</b> innovative business and distribution models that include women and reach of base of pyramid households or marginalized communities	15%

## 11. I am interested, what are the next steps, what should I do?

If you are interested, please use the Application Form below and send your application to [htcceth@giz.de](mailto:htcceth@giz.de) by the deadline. Applications received after the deadline will not be entertained.

## 12. I represent a donor and I love the idea, who should I contact?

If you are interested in learning more and/or supporting the (scaling up) of the innovations, please contact us at [htcceth@giz.de](mailto:htcceth@giz.de).

## 13. Important documents

- Annex 1: Application Guiding Document - Higher Tier Cooking Component Project Innovation Challenge Fund
- Annex 2: Higher Tier Clean Cooking (HTCC) Innovation Challenge Fund: Stage one - Concept note
- Annex 3: Higher Tier Clean Cooking (HTCC) Innovation Challenge Fund: Stage Two - Application Form Full Proposal
- Annex 4: Budget-Format-HTCC-for-ICF
- Annex 5: Evaluation criteria for proposal of applicants