

Project Information
Sheet (Term Sheet) for
Applicants¹

Tanzania Clean Cooking Project (TCCP)



With support from



¹ To reach a wide audience, this project information sheet is also available in Kiswahili.

1. The Government of Sweden has dedicated a total of **US\$ 3.75m** through the Africa Enterprise Challenge Fund (AECF) to catalyse the clean cooking sector in the United Republic of Tanzania.

The project seeks to reduce energy poverty through a transformational increase in the use of clean cooking solutions in rural, marginalized and underserved communities. Its outcome will be increased private sector investment, innovation in affordable clean cooking solutions and accelerated access to clean cooking solutions in Tanzania.

The objectives of TCCP are to:

- Support transformational business models adapt to target markets to accelerate access to affordable clean cooking solutions in rural and marginalized communities in urban and peri-urban areas.
- Support commercially viable small and growing clean cooking companies in the country, out of which at least 20% will be women-owned and/or managed.
- Support innovative ideas that stimulate new approaches to increase affordability and access to clean and efficient cooking solutions.
- Capture and disseminate lessons on how increased access to clean cooking solutions can deliver a positive impact on the poor, especially women and youth.
- Stimulate stakeholder engagements for an improved policy, legal and regulatory environment for clean cooking businesses within the country.



Duration of the project:

3 years

2.

Geography

Funding is available for private sector companies commercially active in clean cooking across the United Republic of Tanzania, both at the early and growth stages.

3.

Companies proposing project ideas to be implemented outside of Dar-es-Salaam will be prioritized.

Focus areas

Successful private sector companies must deliver affordable, quality clean cooking solutions that benefit low-income customers in rural areas and towns. Special attention will be paid to ideas that disproportionately benefit women, youth and unserved or underserved markets in Tanzania.



4.

Desired socio-economic impact

Business models must demonstrate how they deliver and sustain social impact in their target markets. Specifically, this means the number of households served by the product/service, inclusivity of women and youth, stimulation of market growth for clean cooking solutions, and strengthening of clean cooking supply chains in underserved markets.

Companies should also articulate their strategy to meet the following:

- Include women and youth in the ownership and management of a clean cooking supply chain.
- Gender-inclusive practices in their operations (e.g., women-centered design).
- Demonstrable benefits to women including increased time available for other activities, improved health, reduced drudgery, and increased household budgets.
- Women-led supply chains; demonstrate possible engagement of women and youth as critical actors within the supply chain.
- Qualitative indicators around women and youth empowerment
- Demonstrate a clear strategy that enables target communities with low/irregular incomes to afford quality clean cooking solutions.
- Projects must be environmentally friendly. Environmental impact assessments and mitigation measures approved by National Environmental Management Council (NEMC) must be obtained if the law requires.

5.

Estimated project results by 2025

60,000

clean cooking solutions distributed, benefitting over 300,000 lives with new or improved access to clean cooking



10-15



small and growing businesses supported to catalyse clean cooking access in rural and marginalized regions of Tanzania, at least 20% being women-led and/or women-owned.

Avoidance or reduction of at least 240,000 tonnes of CO₂ eq.



150



new jobs created in investee companies and their direct supply chains, of which at least 50% are targeted at women.

6.

Type of support available

The support package includes:

Funding, for the whole or section/ component of business. If a component of a business is funded, then it should be able to create a multiplier effect on its reach to target customers.

Provision of tailor made or wholesale technical assistance, especially to early-stage companies.

Business to investor linkage through AECF's market linkage (Connect) service.

Business-to-business learning across investees through open-source networks, industry associations, and other instruments.

7.

Funds available

- Total grant funds requested from AECF must be between US\$ 50,000 and US\$ 400,000.
- Applicants are expected to submit a funding application, justifying their requirements for the business/ business idea to be funded, as well as funding amount and duration of the proposed intervention.
- Funding must be used for a specific project in the United Republic of Tanzania, e.g., scaling up an existing product or service or replication/ expansion to a geographical new market.
- Investees can apply for a range of funding depending on their development stages and capacity to absorb funding for the proposed business and the capacity to raise the required matching funds.

The funding is in two categories:

- i. **Catalytic grant** – US\$ 50,000 to US\$ 75,000 for small companies with an annual turnover of US\$ 30,000 to US\$ 200,000.
 - ii. **Growth fund** - US\$ 100,000 to US\$ 400,000 for larger companies with an annual turnover greater than US\$ 200,000.
- Funding will be milestone-based, where disbursements are based on mutually agreed activity or output-based milestones that must be delivered/achieved before disbursement.
 - Disbursement will be on reimbursable basis.

8.

Matching contributions

- AECF will require matching fund contributions from the applicant to demonstrate skin in the game. Acceptance of match funding is subject to approval by AECF.
- Funding requires match funding in the following ratios
 - 1:0.4 (AECF to investee if male-owned/managed company)²
 - 1:0.3 (AECF to investee if female-owned/managed company)
 - 1:0.3 (AECF to investee if youth-owned/managed company)³

Matching funds will be fully in cash.



² (Grant funding: match funding)

³ Any person below 35 years old.

9.

Eligible companies

To be eligible for funding, private sector companies must be either an early stage or growth enterprise and must meet the following criteria:

- The company must be legally registered and physically established in Tanzania by the time of project implementation.
- The company should produce audited accounts for at least two (2) years (these could be from the parent company, if recently established as a branch/subsidiary in Tanzania). Companies with less than two years of market experience but can demonstrate proof of sales in Tanzania or other markets during their period of operation may be considered.
- Be a private sector company with a business goal to increase access to clean cooking solutions. Joint ventures are also allowed.
- Request funds amount within the stipulated range of US\$ 50,000 to US\$ 400,000. This is a non-refundable grant
- Be able to show commitment to match AECF funding, based on the ratios stated in matching contributions (as noted in Section 8 above).
- Be compliant with fundamental Tanzania laws and regulations including, among others, tax compliance.
- Be compliant with international human rights, labour standards and environmental management laws.
- Must NOT be involved in any act of terrorism or support terrorists' activities. The business will comply with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders. The business should have a duty of care to ensure they are not dealing with suppliers on debarment, suspension, exclusion and anti-terrorism on its suppliers, consultants and staff.
- NOT be involved in any act of corruption. AECF requires that the applicant (including its staff, contractors, and suppliers) not be involved in offering third parties, or seeking, accepting, or being promised by third parties, for themselves or any other party any gift, remuneration, compensation, or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice.]
- Allow AECF regular due diligence and monitoring visits.

Demonstrate additionality as explained in section 11 below.



10.

Selection criteria

Each applicant will be evaluated and scored against the following criteria:

- Outline sustainable business model. The proposal must be technically sound and be aligned with the activities described in Section 3 (focus areas) above. It should spell out how performance is to be measured and evaluated with all agreed-upon indicators, targets, and milestones.
- Must demonstrate a satisfactory record of performance of the entrepreneur, technical person (s), or business. Where available testimonials of past performance should be submitted.
- The proposal must include the CV of key personnel with the education and experience required for the technical nature of the proposed project.
- The proposal must indicate the methods and degree of coordination with local administration and intended beneficiaries.
- Have a product or service with acceptable quality. Products or services that meet national or international standards (if existing) are eligible.
- Provide a track record of earning revenues from their users for existing product/service/demonstrated success in at least one market.
- Demonstrate sound financial health, including two years of audited financial accounts, established financial management processes and procedures and dedicated financial management staff in Tanzania.
- Demonstrate investment relationships/ potential to access matching funds (based on the ration in section 8 (matching contributions) above), leveraging additional and follow-on funding.
- Demonstrate capacity of the management team to implement the proposed business/project (adequate internal resources/capacity). Outline a targeted approach to connect the peri-urban and rural poor to an affordable and quality clean cooking solution.
- Demonstrate how the business model is promoting sustainable development outcomes in their target communities and markets.
- Demonstrate how the business model will deliver and sustain social impact in the target markets (**See Section 4** above), i.e., be able to demonstrate how to leverage AECF funding to secure commercial funding for project sustainability.
- In their business proposals, companies MUST describe their environmental impact and waste management policy and procedures and demonstrate alignment to the global and Tanzania national environmental management regulations. Investees are expected to provide an outline of potential wastes in the value/ supply chains and how they intend to manage these.
- Demonstrate how gender analysis has informed the product/service design and how it will impact the project.
- Demonstrate how matching funds are to be made available; indicating details of when the cash will be available and the sources.
- Indicate any risks and threats to project implementation and methods that would be used to mitigate such risks.

11.

Classification of additionality

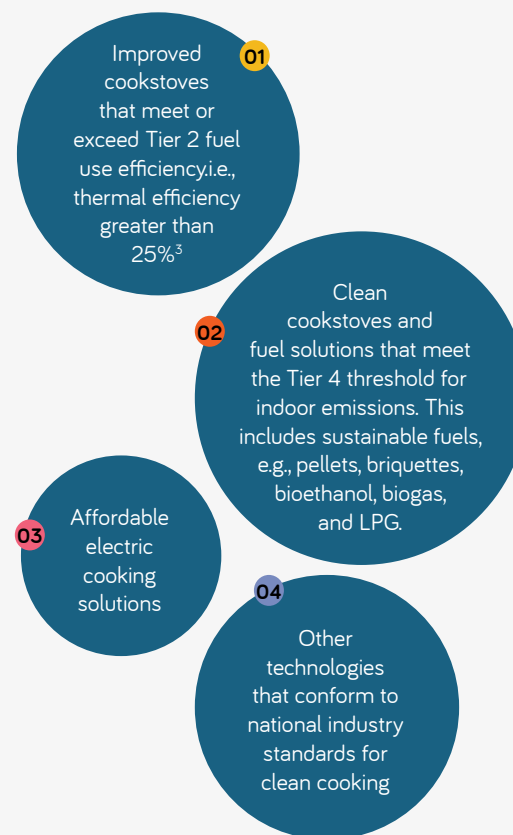
While we recognize that additionality is context-specific (e.g., geography, sector, etc.), below is a description of our broad check of it:

- **Faster** The company could be expected to invest in other sources but in several years to come, meaning development impact is delayed or lost. TCCP funds can be used to enable the proposed investment/business to launch sooner, create transformational change quicker and expose the business to attract additional investments.
- **Bigger** The company could be expected to invest in other sources, but it would not be as large as with funding, thus enabling scaling multiples of the development impact and market systems development.
- **Wider scope** The company could be expected to invest in other sources, but AECF resources will enable it to expand the scope of the goods or services geographically or to different groups of beneficiaries to multiply the development impact, participation, and recognition of effort into its own development.
- **More inclusive** The company will be able to access people closer to the bottom of the pyramid than it would otherwise, enhancing the benefit to very poor people. Poor people tend to be difficult and expensive to reach, requiring physical networks, smaller packages of goods with smaller profit margins (or none), longer repayment terms, actualized by irregular payment patterns, and/ or are susceptible to greater payment default. Applicants/ companies should be able to demonstrate how TCCP funds will be used to cushion their businesses from such operating environment risks.

12.

Solutions supported

Recognizing that several cooking solutions are needed to address the prevalent use of traditional forms of cooking, the project will provide support to a range of clean and improved cooking solutions, including:



³ According to provisional ISO/IWA tier classification for clean and improved cooking technologies

13.

Commitments from successful investees

If selected, applicants must be committed to:

- Collaborate with AECF Limited to finalize contract milestones and Key Performance Indicators. Indicators and milestones are agreed upon with AECF before the signature of the contract.
- Share data, including performance against indicators and milestones. All data will be treated confidentially unless otherwise agreed in advance.
- Gather, analyze and share learnings from the project with AECF.
- Report according to agreed schedules and requirements.
- Participate in AECF/Sida annual program reviews.
- Ensure financial data and other management systems are accessible for audit purposes upon request.
- Continue to report the impact and allow AECF to access the project for 3 years after contract end.

14.

How to apply

Two-step application process:

Step 1

(Concept Note):

Eligibility and marking stage based on TCCP Concept Note completed online on the AECF website.

Step 2

(Business Plan): Award stage based on TCCP business plan

To apply for support, kindly go to

<https://tinyurl.com/f4ta35kd>

15.

Disclaimer

This call for application is not binding upon The AECF and no legal right or obligations arises therefrom. The AECF reserves the right to determine the structure of the selection process, number of short-listed applicants, the right to withdraw from the process, the right to change timetables at any time without notice and reserves the right to withdraw this call for applications at any time, without prior notice and without incurring any liability to indemnify, compensate and/or reimburse any party whatsoever.



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