



MODERN COOKING
FACILITY FOR AFRICA

APPLICATION GUIDELINES

SECOND MCFA CALL FOR PROPOSALS (MCFA2)

The Democratic Republic of the Congo, Kenya, Malawi,
Mozambique, Tanzania, Zambia and Zimbabwe

Deadline for Pre-Qualification
Applications:

31 January 2024
at 12:00 (noon)
local time in Helsinki (EET)

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With financial support of:



List of abbreviations and definitions

Applicant	A for-profit company registered or committed to being registered in an MCFA project country applying for MCFA2 funding alone or on behalf of a Project Consortium
Catalytic Funding Window	MCFA2 funding window targeted at earlier stage companies in the DRC, Malawi, Mozambique, Zambia and Zimbabwe
CCA	Clean Cooking Alliance
Consortium Member	A for-profit or non-profit entity forming part of a Project Consortium
CCS	Clean cooking services provided to an end-customer that has entered into a contract with a CSP for the provision of CCT using eligible fuels
CCT	Clean cooking technology eligible for MCFA2 funding, i.e. Tier 4-5 electric, biogas, bioethanol, bio-LPG, LPG (in selected countries) and solar (thermal and photovoltaic) stoves or Tier 3+ gasifier and forced-draft rocket stoves using sustainable briquettes or pellets
CRM	Customer-relationship management
CS	Comparison score
CSP	Cooking Service Provider, the selected Applicant approved by Nefco and Donor(s) to receive the grant and results-based financing under the MCFA programme. The CSP must be a company duly incorporated and validly existing under the laws of the Project Country.
Donors	Sweden, represented by the Swedish International Development Cooperation Agency (Sida), the European Union (EU) and the Norwegian Agency for Development Cooperation (Norad)
DRC	The Democratic Republic of the Congo
EoL	End-of-life
EPC	Electric pressure cooker
EUR	The euro currency
Final Application	MCFA2 is divided into two stages: a Pre-Qualification stage and a Final Application stage. Only Applicants that successfully pass the Pre-Qualification stage will be invited to take part in the Final Application stage.
IDD	Integrity due diligence
ISO	International Organization for Standardization
IVA	Independent verification agent
LPG	Liquefied petroleum gas
MCFA1	The first MCFA call for proposals targeted at the DRC, Kenya, Mozambique, Tanzania, Zambia and Zimbabwe
MCFA2	The second MCFA call for proposals targeted at the DRC, Kenya, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe
MFI	Microfinance institution
MRV	Monitoring, reporting and verification

MTF	Multi-Tier Framework developed by the World Bank's Energy Sector Management Assistance Programme (ESMAP)
NDC	Nationally determined contribution
Nefco	Nordic Environment Finance Corporation, MCFA Facility Manager; Nefco has established the MCFA Programme in collaboration with Sida and manages it as a separate funding facility
PAYGO	Pay-as-you-go
Pre-Qualification	MCFA2 is divided into two stages: a Pre-Qualification stage and a Final Application stage. Only Applicants that successfully pass the Pre-Qualification stage will be invited to take part in the Final Application stage.
Project Consortium	A group of for-profit or non-profit entities (led and represented by a for-profit Applicant) that have formed or agreed to form a Project Consortium to apply for MCFA2 funding and eventually implement the proposed project
Project Country	MCFA2 funding can only be used to implement projects in the DRC, Kenya, Malawi, Mozambique, Tanzania, Zambia or Zimbabwe
Project Partner	A for-profit or non-profit entity with a material and meaningful interest in the implementation of a proposed project (e.g. product suppliers, financial service partners, capacity building and training organisations)
RBF	Results-based financing
Scale-Up Funding Window	MCFA2 funding window targeted at companies in all Project Countries
SEAH	Sexual exploitation, abuse and harassment
SmartME	MCFA2 is organised as an online, fully paperless application process using an electronic application system called SmartME
SOP	Standard operating procedure
SSA	Sub-Saharan Africa
SUM	Stove use monitoring
TA	Technical Assistance
Tier	Categorisation used to distinguish different levels of energy services based primarily on the MTF and further defined in Annex B
wC	Weighted cost per CCS
VfM	Value for Money

1. Introduction

The Modern Cooking Facility for Africa (MCFA) is a multi-donor facility established and managed by the Nordic Environment Finance Corporation (Nefco) with the aim to support the development of new markets for the clean cooking sector and accelerate access to modern and affordable cooking solutions for consumers in Sub-Saharan Africa. MCFA offers a combination of results-based financing (RBF), non-reimbursable catalytic grant financing and technical assistance (TA) to companies active in the clean cooking market to grow and scale up their businesses in the Democratic Republic of the Congo (DRC), Kenya, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe (the Project Countries).

MCFA is launching its second call for proposals (MCFA2) inviting interested private companies selling modern cooking solutions, cooking service providers (CSPs), to compete for funding. Applicants can be experienced providers of clean cooking services (residential, commercial or institutional) or utilities, mini-grid operators or companies deploying standalone solar systems that could offer e-cooking services in conjunction with their main operations.

MCFA2 is based on valuable market feedback received in response to the first call for proposals (MCFA1), launched in April 2022. MCFA2 has now been launched, incorporating learning from market feedback, recommendations provided in an early external evaluation of MCFA1 commissioned by Nefco as well as Donor preferences.

CSPs that were (or will be) contracted under MCFA1 are not eligible to receive funding under MCFA2 for the same Project Country. In other words, a previously successful Applicant can only receive MCFA2 funding in another MCFA Project Country.

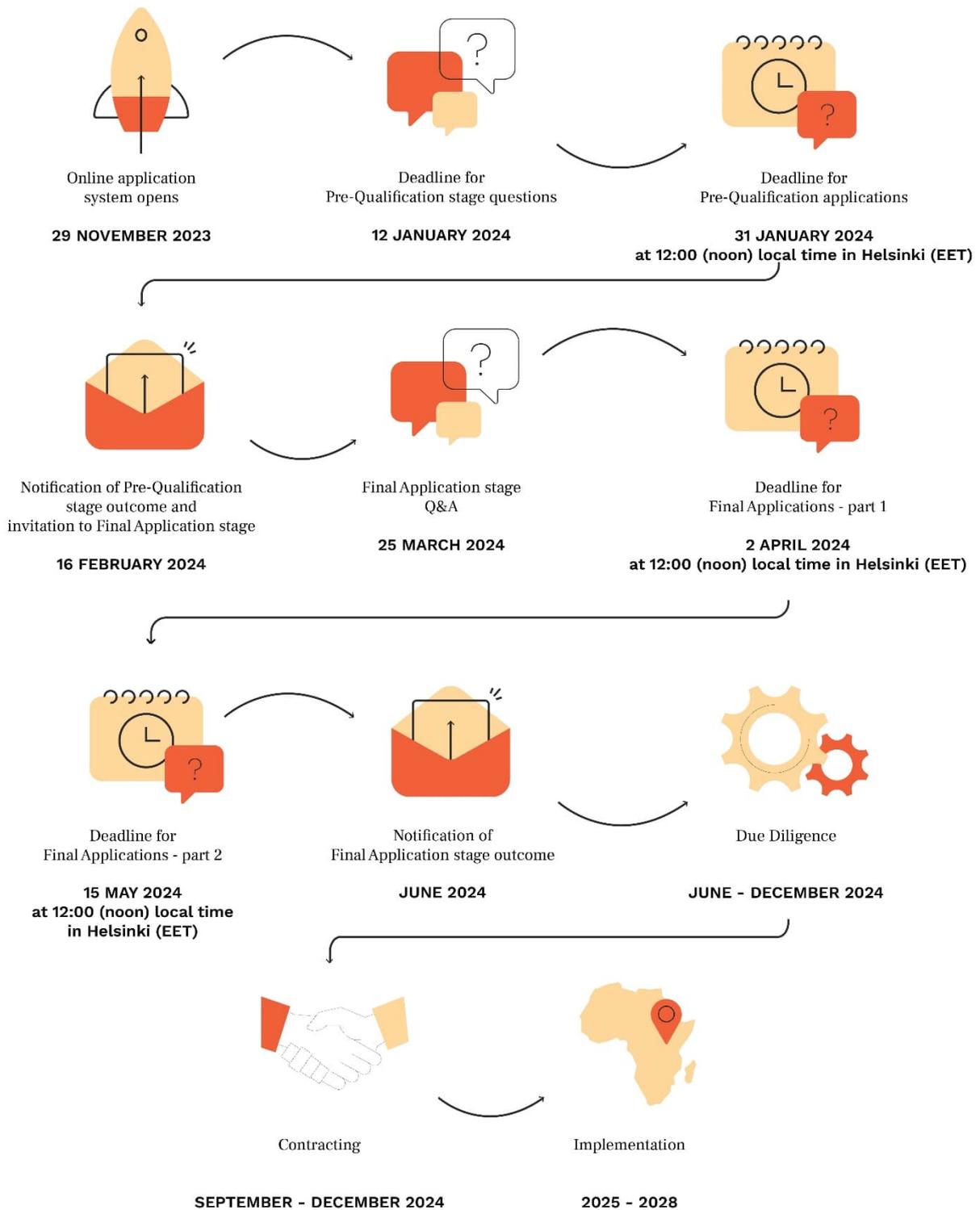
MCFA2 funding is made available under two Funding Windows: a Catalytic Funding Window and a Scale-Up Funding Window. Applicants are invited to carefully read these MCFA2 Application Guidelines and pay particular attention to the funding offer and Applicant eligibility requirements with respect to each of the Funding Windows. Applicants will also be required to demonstrate commensurate levels of their own financing and/or co-financing from other parties and to outline this in their final application.

The MCFA2 application process is divided into two stages: a Pre-Qualification stage and a Final Application Stage. These MCFA2 Application Guidelines apply to both stages.

During the Pre-Qualification stage, Applicants are asked to provide limited information related to certain Applicant eligibility criteria as defined in Section 3 as well as the planned uses of MCFA2 funding. Pre-Qualification applications will be screened against these criteria as described in these MCFA2 Application Guidelines. Applicants that pass the Pre-Qualification stage will be invited to the Final Application stage.

Applicants invited to the Final Application stage will be asked to submit full business plans, which will be evaluated and scored by an external evaluation committee appointed by Nefco. At this stage, Applicants will also be asked to submit financial clean cooking service (CCS) offers and results from laboratory testing of their clean cooking technologies (CCT). The amount of MCFA2 funding available to Applicants will be determined during the Final Application stage through a reverse auction approach. Final Applications will be ranked and awarded funding based on the overall value for money (VfM) they are expected to provide in meeting the MCFA2 targets.

The MCF A2 application timeline and process are described below. Detailed information can be found in Section 5.



2. MCFA2 funding and incentives

MCFA2 aims to incentivise CSPs to establish or scale up their existing innovative sustainable local businesses in the Project Countries and thereby accelerate access to modern, higher-tier clean cooking services (CCS) for consumers in these countries.

MCFA2 can support clean cooking services that are based on CSPs' sales of:

- Tier 4-5 electric, bioethanol, biogas, bio-LPG, LPG (only in selected countries) and solar (thermal and photovoltaic) stoves; and
- Tier 3+ gasifier and forced-draft rocket stoves using sustainable briquettes and pellets.

CCS that incorporate pay-as-you-go (PAYGO) and/or stove use monitoring (SUM) or that are provided under a 'tool and fuel' model¹ are particularly encouraged. Sales of energy-efficient commercial cooking services and institutional cooking services to serve critical needs related to, e.g., education, food security, sterilisation of medical equipment and clean drinking water can also be supported. Please see [Annex B](#) for details on the MCFA2 incentive framework.

All CCS must meet the MCFA2 technical requirements as detailed in [Annex A](#). Provision of CCS based solely on stove sales without fuel is not eligible for MCFA2 funding; Applicants shall identify the proposed sources of eligible fuels in the final application.

BOX 1: WHAT COSTS ARE ELIGIBLE UNDER MCFA2?

MCFA2 funding is focused on supporting the sales of higher-tier cookstoves and fuels in the Project Countries. The funding is provided as a form of 'free equity', which can be used by CSPs to scale their businesses. Contracted CSPs may use MCFA2 funding to cover legitimate expenditure and investments related to business establishment and operational activities including, but not limited to:

- business establishment and preparation
- hardware costs
- software costs for, e.g., inventory management, accounting or PAYGO systems
- stove-use monitoring (SUM) technology or related software
- inventory and spares
- clean fuel production and supply chains
- personnel costs
- training and capacity building
- scale-up activities such as expanding physical distribution
- repair and maintenance infrastructure

There are no specific exclusions, but MCFA2 does not cover sunk costs that CSPs have already incurred, e.g. the cost of previously sold cookstoves and/or related fuels. Costs already incurred, non-project-related costs and items already financed or approved to be financed by other financiers (including other RBF programmes) are likewise not eligible. Repayment of shareholder loans with MCFA funding is not allowed. The MCFA does not allow double counting of results and MCFA supported CCS shall be reported solely to the MCFA.

¹ The 'tool and fuel' model means that both the stove and the fuel are provided by the CSP and/or its Consortium Member.

2.1 MCFA2 Funding Windows

The total available MCFA2 funding is up to EUR 16 million. MCFA2 funding is made available under two Funding Windows: a Catalytic Funding Window and a Scale-Up Funding Window, as presented below.

A certain proportion of MCFA2 funding is earmarked to projects offering CCS based on sales of Tier 4-5 electric, bioethanol, biogas, bio-LPG and solar (thermal and photovoltaic) stoves as well as Tier 3+ gasifier and forced-draft rocket stoves using sustainable briquettes or pellets as follows:

- DRC: up to EUR 1.0 million
- Zambia: up to EUR 8.2 million
- Zimbabwe: up to EUR 2.0 million

The remaining MCFA2 funding can be used to fund projects in any Project Country, as presented in Tables 1 and 2 below. In the selection of projects, earmarked funds will be allocated first, in ranking order, to applications in the Scale-Up Funding Window. For detailed information on the Selection process, please see Section 6.2.

The Applicant market experience requirements are Funding Window specific. For detailed information on market experience requirements, please see Section 3.2. Applicants offering residential CCS with $\geq 1,000$ historic stove unit sales or ≥ 100 biodigester unit sales in a Project Country or $\geq 10,000$ stove unit sales or $\geq 1,500$ biodigester unit sales in a another, specified SSA country are only eligible to apply to the Scale-Up Window. Applicants offering commercial or institutional CCS or CCS based on electric cookstoves sold to mini-grid-connected customers can apply to both Funding Windows.

Catalytic Funding Window

The Catalytic Funding Window is targeted at earlier stage companies with the potential to scale their operations in selected Project Countries, i.e. in the DRC, Malawi, Mozambique, Zambia or Zimbabwe. Up to 50% of the requested MCFA2 funding within this window can be provided in the form of non-reimbursable catalytic grants and the rest as RBF. The minimum co-financing must be equal to the RBF component, i.e. a minimum of 50% of the total MCFA2 funding requested.

TABLE 1: CATALYTIC FUNDING WINDOW

PROJECT COUNTRY	ELIGIBLE TECHNOLOGIES		TICKET SIZE	CATALYTIC GRANT COMPONENT	MINIMUM CO-FINANCING	MINIMUM MARKET EXPERIENCE OF THE APPLICANT
	TIER 4-5 ELECTRIC, BIOETHANOL, BIOGAS, BIO-LPG, SOLAR; TIER +3 GASIFIER/FORCED-DRAFT ROCKET STOVES	TIER 4-5 LPG				
DRC	✓	✓	EUR 500,000– EUR 1.5 million	Up to 50% of the total MCFA2 funding requested	Equal to the RBF component, i.e. minimum 50% of the total MCFA2 funding requested	500 stove units sold in the Project Country <u>OR</u> 50 biodigester units sold in the Project Country
Malawi	✓	✓				
Mozambique	✓	✓				
Zambia	✓	✓				
Zimbabwe	✓	–				
TOTAL			UP TO EUR 3 MILLION			

Scale-up Funding Window

The Scale-up Funding Window is open to Applicants in all Project Countries and is targeted at more mature companies with the potential to scale their existing operations in a Project Country or to enter a new market in an MCFA Project Country. Up to 30% of the requested MCFA2 funding within this window can be provided in the form of a non-reimbursable catalytic grant and the rest as RBF. The minimum co-financing must be equal to the RBF component, i.e. minimum 70% of the total MCFA2 funding requested.

TABLE 2: SCALE-UP FUNDING WINDOW

PROJECT COUNTRY	ELIGIBLE TECHNOLOGIES		INDICATIVE TICKET SIZE	CATALYTIC GRANT COMPONENT	MINIMUM CO-FINANCING	MINIMUM MARKET EXPERIENCE OF THE APPLICANT
	TIER 4-5 ELECTRIC, BIOETHANOL, BIOGAS, BIO-LPG, SOLAR; TIER +3 GASIFIER/FORCED-DRAFT ROCKET STOVES	TIER 4-5 LPG				
DRC	✓	✓	EUR 1 million– EUR 2.5 million	Up to 30% of the total MCFA2 funding requested	Equal to the RBF component, i.e. minimum 70% of the total MCFA2 funding requested	≥1,000 stove units or ≥100 biodigester units sold in the Project Country <u>OR</u> ≥10,000 stove units or ≥1,500 biodigester units sold in another, specified SSA country
Kenya	✓	–				
Malawi	✓	✓				
Mozambique	✓	✓				
Tanzania	✓	✓				
Zambia	✓	✓				
Zimbabwe	✓	–				
TOTAL			UP TO EUR 13 MILLION			

2.2 Technical Assistance (TA)

To meet the ambitious MCFA targets, contracted CSPs will be eligible to receive TA funded by MCFA. This can include advice on, for example, product and business model development, e.g. PAYGO and SUM; basic business fundamentals and formalisation; strategy and human resource management; and implementing environmental and social policies as well as gender action plans. MCFA can also support CSPs to access carbon finance.

3. Eligible Applicants

Applicants (i.e. companies applying for MCFA2 funding individually or on behalf of a Project Consortium) should be for-profit companies. Applicants should be legally incorporated and included in the register of for-profit companies in the Project Country or commit to being incorporated and registered as such before signing a possible contract with Nefco. Nefco will only sign a possible contract for MCFA2 funding with entities that are legally incorporated and validly existing in the Project Country.

Applicants should be in compliance with all tax, regulatory and legal frameworks in both their home country and the Project Country (if different).

Applicants may include non-profit entities, public institutions, community-based organisations or other non-commercial entities in the project implementation as Consortium Members or Project Partners. No governmental entity, public agency or donor may function as a Consortium Member or Project Partner. Information on any listed companies will be required in the application, if applicable.

CSPs that were or will be contracted under MCFA1 are not eligible to receive funding under MCFA2 for the same Project Country. In other words, a previously successful Applicant can only receive funding in another MCFA Project Country.

Project Consortium

A Project Consortium refers to a group of companies or organisations that have formed or agreed to form a consortium for the purposes of applying for MCFA2 funding and implementing a proposed project. A Project Consortium must be represented by an Applicant. The Applicant is required to assume full responsibility for the application and project implementation. The Applicant should also act as Nefco's only direct counterparty.

All Consortium Members should be legally registered and in compliance with all tax, regulatory and legal frameworks in their home country.

Wholesale to a third-party retailer or 'distribution partner' that is not a Consortium Member are not eligible for MCFA2 funding.

Consortium members will be required to enter into a consortium agreement, which outlines the rationale for the Project Consortium, the roles and responsibilities of each Consortium Member, how the Project Consortium will work and acknowledges the role of the Applicant as Nefco's contracting party with full responsibility for the project.

Project Partner

Applicants may have more than one Project Partner that have a material and meaningful interest in the implementation of the proposed project. Project Partners may be non-commercial in nature, including, but not limited to, associations, non-governmental organisations (NGOs) and non-profit organisations. Project Partners may be product suppliers, financial service partners, engineering service providers or similar.

Project Partners should be legally registered and in compliance with all tax, regulatory and legal frameworks in their home country.

3.1 Financial position requirements

Applicants must demonstrate:

- (i) current ratio with a minimum value of 1 or higher; and
- (ii) equity ratio of at least 15%².

The data sources for ratios shall be clearly referenced and included in the Pre-Qualification application. The most recent financials for 2022 must be provided and, in any case, the 2022 audited financial statements must show the fulfilment of these requirements. Applicants' compliance with the financial position requirements will be checked at the Pre-Qualification stage.

If an Applicant is a subsidiary of a parent company, and the Applicant does not meet the above financial requirements, the consolidated financials of a parent company³ or group may be used instead, provided that the parent company can provide a guarantee, or similar, to Nefco's satisfaction, if required.

3.2 Market experience requirements

Applicants should demonstrate that they have at least 12 months of relevant operational experience and sufficient market experience in terms of historic sales in one or more SSA market(s) as detailed below in Table 3. Applicants' compliance with the market experience requirements will be checked at the Pre-Qualification stage.

Applicants offering residential CCS with $\geq 1,000$ historic stove unit sales or ≥ 100 biodigester unit sales in a Project Country or $\geq 10,000$ stove unit sales or $\geq 1,500$ biodigester unit sales in a specified SSA country can only apply to the Scale-Up Funding Window.

² Shareholder loans can, generally, be included as part of the equation, as comparable to equity. The MCFA2 funding cannot be used to repay such loans.

³ A parent company is defined as a company having a controlling interest in another company giving it the right to control the subsidiary's operations.

TABLE 3: MCFA2 APPLICANT MARKET EXPERIENCE REQUIREMENTS

	APPLICANTS TO THE CATALYTIC RBF FUNDING WINDOW	APPLICANTS TO THE SCALE-UP FUNDING WINDOW
Applicants offering CCS for residential use	≥500 stove units (Tier 1-5, any type or technology) sold in the Project Country	≥1,000 stove units (Tier 1-5, any type or technology) sold in the Project Country OR ≥10,000 stove units (Tier 1-5, any type or technology) sold in another, specified SSA country
Applicants offering CCS based on biodigesters for residential use	≥50 biodigester units sold in the Project Country	≥100 biodigester units sold in the Project Country OR ≥1,500 biodigester units sold in another, specified SSA country
Applicants offering CCS for commercial and/or institutional use	No minimum market experience requirement	No minimum market experience requirement
Applicants offering CCS based on electric cookstoves sold to mini-grid-connected customers	No minimum market experience requirement	No minimum market experience requirement

4. Eligible projects

4.1 Eligible Project Countries

Projects shall be implemented in the DRC, Kenya, Malawi, Mozambique, Tanzania, Zambia or Zimbabwe as applicable for the Funding Windows and eligible technologies (defined in Section 2.1 above).

4.2 General requirements

Applicants will be required to confirm that they have familiarised themselves with and are willing to comply with Nefco's general policies and guidelines, available at <https://www.nefco.int/about-nefco/legal-framework-and-guidelines/>⁴, as relevant to the implementation of the proposed project in the event of a possible contract.

Applicants' attention is generally drawn to relevant local requirements and available data. Contracted Applicants (CSPs) should follow national legislation, regulations and standards in the Project Country at all times. Applicants are expected to have obtained or be able to obtain all relevant permits, certifications, licences, endorsements, approvals and similar documents needed to implement the proposed project within a reasonable time frame after contract signing.

4.3 Project duration

The project implementation period is limited to four years after signing the contract. Contracted CSPs are expected to commence operations at the latest by Q1/2025.

4.4 Clean cooking technologies and fuels

Technical requirements for eligible CCS are defined in detail in [Annex A](#) (Technical Requirements).

Applicants invited to the Final Application stage should pay particular attention to the requirements concerning laboratory testing of stoves with eligible fuels as described in detail in [Annex A](#). Costs incurred to demonstrate compliance with the technical requirements (e.g. testing the stoves, the fuels and/or other relevant systems) shall be covered by the Applicant and are not refundable.

⁴ This includes the following policies: [NEFCO's Environmental and Sustainability Guidelines](#); [NEFCO's Environmental and Sustainability Policy 2022](#); [NEFCO's Gender Policy](#); [NEFCO's Policy on Anticorruption and Compliance](#); [NEFCO's Policy on Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment \(SEAH\)](#); [NEFCO's Procurement Policy and Procedures](#).

Sales models

Provision of CCS based solely on stove sales without fuel is not eligible for MCFA2 funding and Applicants shall identify the proposed sources of eligible fuels in the final application.

Sales models that integrate 'tool and fuel' are particularly encouraged and eligible if delivered through vertical integration or through a Project Consortium that includes a producer of an eligible fuel.

To support consumer affordability, Applicants already deploying PAYGO business models will score higher in the evaluation and are encouraged to incorporate PAYGO overheads into their offers. The inclusion of other consumer finance options, for example microfinance institutions (MFI), is also encouraged. Sales through an MFI can qualify as CCS if the MFI in question is a Consortium Member, otherwise this is considered wholesale and therefore is not eligible for MCFA2 funding.

When developing their business models, Applicants are strongly encouraged to consider possible effects of market distortion. CCS based on free distribution of stoves is not eligible for MCFA2 funding as MCFA only supports feasible business models.

Co-financing

Applicants will be required to demonstrate commensurate levels of their own financing as well as co-financing from other sources or financiers and to detail this in their final application. In their business plans, contracted Applicants (CSPs) will be required to have a viable capital structure and credible financial model, as well as a solid fundraising plan, satisfactorily showing expected co-financing equal to or greater than the RBF component of the requested MCFA2 funding as applicable in the respective Funding Window.

Applicants are requested to indicate in their final applications both committed co-financing and future co-financing needs that are aligned with the financial model. Committed co-financing should amount to a minimum of 50% of the total minimum co-financing by the time of the first payment of MCFA2 funding, whereas future co-financing needs will be included as milestone deliverables in the agreement. Nefco will require detailed documentation on co-financing during implementation.

Applicants who are seeking or plan to seek carbon finance (or may seek it in the future) must include carbon finance as a funding source in the final application. In the interest of comparability, if carbon finance is proposed as a source of co-financing, Applicants are required to use a standard price of EUR 10 per tCO₂ and apply a standard amount of emission reductions per stove of 3 tCO₂/a. For other details, please refer to the section 'Carbon Finance' below.

Retained earnings may be accepted as co-financing at Nefco's discretion, if the assumptions from which these are derived are deemed conservative and credible.

Parallel financing, i.e. funding from other RBF programmes⁵ and/or linked to the achievement of a certain number of CCS sales, is not eligible as co-financing. Other grants (e.g. milestone-based), except those funded

⁵ E.g. Brilho in Mozambique, KOSAP and ABC in Kenya, A2C in Zambia, etc.

(either partly or wholly) by Sweden or Norway, may qualify as co-financing at Nefco's discretion on a case-by-case basis.

CCS sustainability

To receive MCFA2 funding, CSPs are required to deliver and sell affordable and high-quality CCS directly to end-consumers in an enduring and sustainable manner.

In the time frame of the four-year project implementation period, the CCT will be considered sustainable (i) after a minimum of two years' provision of the CCT in question, or after the CCT has been fully repaid by the end-customer if this occurs first, or (ii) as long as the end-customer is not in default by the contract end date (i.e. has made at least one payment within the last 90 days).

To qualify as CCS, the eligible fuel used in the stoves must be available to the customer at least 80% of the time over two years or until the project implementation ends, whichever comes first. This requirement will be verified at the level of the portfolio for a representative sample by an Independent Verification Agent (IVA).

For 'tool and fuel' models, the eligible fuel used in the stoves must be supplied by the Applicant or a Consortium Member and made available to the customer at least 95% of the time. This requirement will be monitored at the CCS level through the customer payment records kept by the CSP and independently verified by an IVA.

Duty waivers

Regarding duty waivers, Applicants are requested to submit their financial CCS offer based on the assumption that the current duty regime will continue to apply on all imported products and to specify clearly in the final application any exemptions that apply to existing operations they may already have in the Project Country. Should a duty waiver or substantial fiscal advantage be secured after the submission of the final application, Nefco will require the full benefit of the waiver to be passed on to end-consumers for CCS financed through MCFA2.

Additionality

Invited Applicants will need to demonstrate in their business plan that the proposed project is additional, i.e. that it would not occur without MCFA2 funding. All sources of income must be declared and supported by appropriate documentation.

Selected Applicants who have ongoing contracts with other programmes for the delivery of CCS in the Project Country will be required to prioritise delivery under the respective programme(s) and demonstrate that they have sufficient remaining capacity to deliver the CCS offered under MCFA2 beyond their existing commitments.

Double counting of CCS is not allowed, meaning that CCS established with MCFA2 funding shall be solely reported to MCFA.

Carbon finance

Applicants who are seeking or plan to seek carbon finance (or may seek it in the future) must include carbon finance as a funding source in the final application. Carbon finance can qualify as co-financing as long as the proposed activities can be expected to fulfil the appropriate carbon methodology requirements to Nefco's satisfaction. Carbon financing also needs to be clearly attributable to the sources of emission reductions and demarcated from other funding sources.

MCFA can provide financial support for CSPs to access carbon finance by linking them to carbon markets and helping them align their MRV/data collection methodologies, e.g., with the Gold Standard, future carbon markets under the Paris Agreement or newer methodologies that leverage usage and fuel sales data (which such schemes may not currently support), while also making use of knowledge and methodologies gained through the Clean Development Mechanism. MCFA can also finance the provision of advisory services to CSPs seeking to establish a Programme of Activities⁶. Should carbon finance be secured during implementation through the TA deployed by MCFA (e.g. establishment of a programme of activities), associated transaction costs may be advanced and recovered by Nefco as appropriate when/if carbon revenues materialise.

Nefco requires any MCFA2-supported project benefitting from carbon finance to rely only on recognised and transparent carbon finance standards to Nefco's satisfaction. Nefco strongly endorses the principles of aligning carbon credit criteria with the Paris Agreement, such as accommodating host country criteria and authorisations and avoidance of double counting/claiming with nationally determined contributions (NDCs).

The basis upon which the CSP (as an Applicant) was deemed eligible for the MCFA2 funding may materially change due to excessive carbon revenues, in which case Nefco reserves the right to suspend any unpaid MCFA2 funding. Alternatively, the MCFA2 funding may be reduced and/or the number of CCS to be deployed under MCFA2 increased.

Environment and sustainability

All Applicants shall anticipate and appraise any foreseeable negative impacts and risks that their activities may have on the environment and climate, as well as the social factors (including human rights) to identify, avoid and/or minimise these adverse impacts and risks to an acceptable level or, if unavoidable, to offset and compensate for these impacts and risks.

Applicants invited to due diligence will be required to demonstrate, for example through robust biomass resource assessments and collection plans, that any proposed biomass, bioethanol, bio-LPG, LPG and/or biogas solutions are not likely to lead to deforestation or other forms of ecological degradation and will not have materially negative impacts on food security, protected areas or biodiversity.

CSPs should, at a minimum, adhere to national environmental laws regarding waste management. For requirements related to the handling of waste and e-waste, please see [Annex D](#) (E-Waste Management Requirements).

⁶ <https://cdm.unfccc.int/ProgrammeOfActivities/index.html>

Gender inclusion

Requirements related to gender inclusion are described in detail in [Annex C](#) (Gender Equality and Empowerment of Women and Girls).

Consumer protection

Applicants are required to offer a 3-year warranty and after-sales service on CCT supported by MCFA2 and are requested to add and clearly identify additional costs deriving from MCFA2 warranty requirements in their financial model. Applicants must offer a toll-free end-customer care line to receive and respond to customer service requests.

Contracted CSPs will be required to establish a sufficient repair and maintenance network in the relevant Project Country to ensure after-sales services and the replacement of parts and stoves.

In addition, during the due diligence review, Applicants will be required to complete a self-assessment tool on their consumer protection practices. Identified areas for improvement may provide grounds to receive TA support and be included as payment milestones.

Security requirements

Contracted CSPs are fully responsible for implementing the proposed project at their own risk. For minimum security requirements, please see [Annex E](#).

5. MCFA2 Application process

The MCFA2 application process is divided into two stages: a Pre-Qualification stage and a Final Application Stage.

The application process timeline, submission requirements and required documentation are defined below. All forms and templates will be made available online via the SmartME online application system, both as links in the application forms and in the support section of SmartME under frequently asked questions. The forms and templates applicable to the Final Application stage will be made available only to Applicants invited to submit their final applications.

5.1 Registration and application intake system

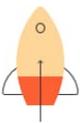
MCFA2 is organised as an online application process via SmartME, an electronic intake system. Interested Applicants are encouraged to register and create a user account in SmartME as early as possible to familiarise themselves with the MCFA2 application forms and requirements. Applicants are required to submit their applications via the MCFA SmartME application system only. All communications related to the MCFA application process and related outcomes will be sent to Applicants via SmartME. Applicants are therefore advised to provide a frequently used e-mail address for the SmartME registration.

Registration for the SmartME intake system is available on the MCFA website at <https://www.moderncooking.africa/apply-for-funding/>

5.2 Pre-Qualification stage

At the Pre-Qualification stage, Applicants are asked to provide limited information related to the Applicant eligibility criteria as defined in Section 3 above as well as the planned use of MCFA2 funding.

The Pre-Qualification applications will be screened to check Applicants' compliance with the Applicant eligibility criteria, i.e. minimum market experience and financial position requirements. Only Applicants that meet these criteria will be invited to submit applications during the Final Application stage.

	Registration opens	Applicants are encouraged to register as early as possible and familiarise themselves with the MCFA2 application requirements. A user account can be created at https://www.moderncooking.africa/apply-for-funding/ .	29 November 2023 at 16:00 local time in Helsinki (EET)
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	Pre- Qualification stage Q&A	Applicants are invited to submit any questions related to MCFA2 via the support section of the SmartME application system. Questions and answers will be made available via the SmartME system to all registered Applicants in an anonymised form within one week of the deadline. Questions will not be otherwise edited.	by 12 January 2024 at 12:00 (noon) local time in Helsinki (EET)
	Deadline for pre- qualification applications	Pre-Qualification Application form filled in online in SmartME: information about the Applicant, its market experience, financial position (upload of (audited) financial statements for 2022) and intended use of MCFA2 funding.	31 January 2024 at 12:00 (noon) local time in Helsinki (EET)
	Notification of Pre- Qualification stage outcome	Applicants will be notified of the Pre-Qualification stage outcome via the SmartME system. Applicants that pass the Pre-Qualification stage are invited to submit Final Applications.	16 February 2024

5.3 Final Application stage

Applicants that pass the Pre-Qualification stage will be invited to submit full business plans (Part 1 of the Final Application stage) and financial CCS offers together with laboratory testing results (Part 2 of the Final Application stage).

The business plans will be evaluated and scored by external evaluators. The financial CCS offers will be used by Nefco to calculate a weighted cost (wC) per CCS, which, together with the business plan scores, will result in an overall evaluation and scoring of the proposed project. MCFA2 will use a reverse auction approach, with project proposals scored and ranked based on their expected overall Value for Money (VfM) in meeting MCFA2 targets. Please see Section 6. below for a description of the evaluation process.

	Final Application stage Q&A	Invited Applicants have the opportunity to submit questions via the support section of the SmartME application system. Nefco will publish answers to these questions on an on-going basis in an anonymised form via the support section of SmartME under frequently asked questions.	25 March 2024 at 12:00 (noon) local time in Helsinki (EET)
	Deadline for final applications – Part 1	<ul style="list-style-type: none"> - Business plan form filled in online in SmartME - Commitment Letter (using standard template provided in SmartME) - Company profile, capitalisation table and organisational chart, (audited) financial statements for 2020-2022 - Documentation on product and quality specifications - A minimum four-year financial model (template provided in SmartME for optional use) 	2 April 2024 at 12:00 (noon) local time in Helsinki (EET)

	Deadline for final applications – Part 2	<ul style="list-style-type: none"> - Financial CCS offer to be submitted via the support section in SmartME (using the Financial CCS Offer Excel Tool, available in SmartME) - Laboratory testing results (see details in Annex A) 	15 May 2024 at 12:00 (noon) local time in Helsinki (EET)
	Notification of Final Application stage outcome	Applicants will be notified of the Final Application stage outcome via the SmartME system.	June 2024

5.4 Submissions

Applicants are requested to submit their applications and upload documents via the SmartME application system only, using the email account provided during the registration process.

It is the Applicants' responsibility to ensure that all documentation is submitted and uploaded via SmartME before the deadline, remembering to account for the Internet connection speed. It is strongly recommended that Applicants begin their submission in good time to ensure it is completed well ahead of the deadline. The SmartME application system will not accept submissions/uploads received after the submission deadline.

In recent years, Nefco has encountered several instances where submissions have had to be rejected due to the submission deadline being missed. Nefco recognises the level of work and effort required to complete an application, especially for the Final Application stage. For this reason, we recommend that Applicants ensure that their applications are uploaded in good time, preferably several hours ahead of the deadline.

Applicants are required to submit all documentation in English and denominate all financial information in EUR. If some documentation is not available in English, it may be provided in local official languages. In this case, Applicants are required to provide an unofficial English translation. Notarised translations of key documents may be required at the due diligence stage. Nefco reserves the right to reject applications on this basis.

Submitted applications are considered to be in their final form and may not be amended once submitted. Applicants shall bear all the costs incurred in the preparation and submission of the Application.

6. Final Application evaluation

The Final Application evaluation is focused on i) assessing the quality of business plans and ii) carrying out a weighted cost (wC) per clean cooking service (CCS) calculation based on the financial CCS offers. The business plan score and the wC form the basis for the overall evaluation and scoring of the proposed project and its Value for Money (VfM).

The Final Application stage evaluation process consists of the following steps:

- 1) an eligibility and submission completeness check by Nefco
- 2) an external evaluation of the business plan
- 3) calculation of the wC based on the financial CCS offer
- 4) calculation of a comparison score (CS) reflecting the overall VfM of the final application

Evaluation and scoring of the business plans will be undertaken by an independent, external evaluation committee appointed by Nefco using the evaluation criteria and score scaling below. Proposals with business plan scores below 60 points (out of 100) will not be included in the comparison score (CS) calculation.

TABLE 4: EVALUATION CRITERIA FOR THE BUSINESS PLAN

SPECIFICATION	CATALYTIC FUNDING WINDOW POINTS	SCALE-UP FUNDING WINDOW POINTS
Technical feasibility in the context of the target market	15	15
Fuel supply, availability, sustainability and convenience of purchase	10	10
Commercial feasibility and target market comprehension	20	20
Financing and additionality	10	15
Implementation and operation capacity	10	10
Human resources (HR), Management capacity and gender representativeness	15	15
Development, climate and environmental impact potential	20	15
Total	100	100

TABLE 5: SCORE SCALING⁷

SCORE	CRITERIA
0	The Applicant fails to address the criterion or cannot be assessed due to missing or incomplete information (unless the result of an 'obvious clerical error')
1	Poor: the criterion is inadequately addressed or there are serious inherent weaknesses
2	Fair: the Applicant broadly addresses the criterion but there are significant weaknesses
3	Good: the Applicant addresses the criterion well but with a number of shortcomings
4	Very good: the Applicant addresses the criterion very well but with a small number of shortcomings
5	Excellent: the Applicant successfully addresses all relevant aspects of the criterion; any shortcomings are minor

6.1 Reverse auction approach

The amount of financing available to individual projects through MCFA2 will be determined during the Final Application stage through a reverse auction approach. Final Applications will be ranked and awarded funding based on the overall VfM they are expected to provide in meeting the MCFA2 targets.

BOX 2: REVERSE AUCTION APPROACH

A reverse auction is a type of auction in which the traditional roles of buyer and seller are reversed. This is used if there is only one buyer but many potential sellers.

In an ordinary auction, interested buyers compete to buy goods or services by offering increasingly higher prices to one seller. In contrast, in a reverse auction, the traditional roles of buyer and seller are reversed, because several sellers are competing for business from a single buyer. As a result, prices will typically decrease as sellers underbid each other. In a reverse auction, sellers that place the lowest bids are automatically ranked highest.

MCFA2 funding will be awarded to Applicants through a reverse auction, but project proposals with the lowest average weighted cost will not automatically be ranked highest. This is because MCFA2 is seeking not only to reward low prices (affordability) but also to incentivise CSPs to offer high-quality and sustainable clean cooking services to generate concrete and positive environmental, climate, development and health impacts during project implementation and beyond.

During the Final Application stage, project proposals will be evaluated and scored by price and the quality, sustainability and development impacts of the solutions offered, including gender aspects in particular. Accordingly, project proposals found to offer the best overall value for money to MCFA2 will be ranked highest.

In their financial CCS offers (part 2 of the final application), Applicants are requested to categorise the different types of CCS they will offer to provide end-customers using the Tier differentiation presented in [Annex A](#).

⁷ To be calculated proportionally in line with the maximum points for each scoring category/criterion

This information should be included in the financial CCS offer which, together with laboratory testing results used to confirm the selected Tier of the offered CCS, will be used to calculate the wC of the clean cooking services.

The level of clean cooking service of each offered CCS will be weighted in line with the overall objectives of MCFA2. The weightings reflect the proposed increase in the quality, performance and type of cooking services provided. The number of CCS offered by Applicants will be assessed, stress-tested and subjected to a detailed due diligence review before contract signing. Nefco reserves the right to reject applications due to an abnormally low or high wC.

For a full description of the CCS Tier matrix, CCS input data and weights, please see [Annex B](#).

The wC and the quality of the business plan will be compounded to create a single comparison score (CS), where the price component is given a weight of 30% and the quality of the business plan a weight of 70%, as follows:

$$CS = wC_{low}/wC*0.3*100 + BP*0.7$$

Where:

CS is the comparison score

wC is the weighted cost per CCS

wC_{low} is the lowest of all evaluated weighted costs per energy service

BP is the score obtained at the Final Application stage and reflecting the quality of the business plan

The higher the CS score, the higher the VfM offered to MCFA2.

The CS score will be calculated by Nefco only for proposals with business plan scores above 60 points (out of 100) and for which the Applicant has submitted their financial CCS offer together with laboratory testing results in accordance with the requirements described in [Annex A](#).

In case the laboratory testing results do not confirm the selected Tier categorisation of the CCS offered by the Applicant, for the purposes of calculating the correct wC, Nefco reserves the right to i) change the Tier in the CCS offer to correspond to the Tier confirmed by the laboratory testing results or ii) reject the financial CCS offer in the event of the offered CCS not meeting the MCFA2 technical requirements.

6.2 Selection

Final applications will be ranked based on the evaluation results (CS score) separately for each Funding Window and subsequently shortlisted based on the total MCFA2 funding available within a Funding Window.

Applications meeting the criteria for earmarked MCFA2 funding for CCS offered in DRC, Zambia and Zimbabwe, as defined in Section 2.1 above, will be shortlisted first in ranking order in the Scale-up Funding Window.

Any unallocated funds within a Funding Window may be transferred to another Funding Window, subject to availability of sufficient funds. Selected projects will be invited to undergo a due diligence review. If the review is successful, they will be invited to contract negotiations with the aim of signing a contract, starting with the highest-ranking applications.

Some lower-ranking applications may remain on a reserve list, but Applicants will be notified if this is the case and may be invited to extend the validity of their offer.

6.3 Communication

Applicants taking part in MCFA2 will be duly informed of their progress via SmartME, and the results of MCFA2 will be made public once the selected Applicants have been contracted.

Nefco undertakes to provide general feedback to all unsuccessful Applicants.

7. Due diligence

Once the final applications have been evaluated, scored and ranked in accordance with Section 6 above, a thorough due diligence review of the shortlisted project proposals will be carried out. During the due diligence review, Nefco will require comprehensive proof of the Applicant's compliance with all MCFA2 eligibility criteria and requirements as described in these MCFA2 Application Guidelines. Applicants will be required to provide additional supporting documentation ahead of or during the due diligence review.

The due diligence will include a thorough review of all technical, social, environmental, financial, institutional, and legal aspects that are deemed relevant for a successful transaction. It should be emphasised that during the due diligence review it is the responsibility of the Applicant to demonstrate that they meet the MCFA2 eligibility criteria and set requirements, have a credible plan and will have access to the resources needed to deliver the number, types and Tier of CCS offered.

Applicants are requested to keep in mind that the wC cannot be negotiated or changed during the due diligence process. Only computational or mathematical errors may be corrected. Changes due to external factors beyond the Applicant's control (e.g. changes in duties or taxes) may be considered. These may lead to a re-ranking of final applications.

	<p>Due Diligence</p>	<p>Shortlisted Applicants will be invited to due diligence. The due diligence process will be carried out in batches of 3-4 applications at a time.</p>	<p>June-December 2024</p>
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8. Contracting

Nefco will seek to allocate all available funding within any given Funding Window, as described above in Section 6.2 (Selection). If insufficient funds remain to contract all offered CCS once the highest-scoring CSPs have been contracted, Nefco may offer to contract a lesser volume of CCS than offered, but at the same incentive level and weighted cost per CCS. Options to contract additional CCS may also be included in contracts subject to availability of funding.

Nefco will sign possible contracts for MCFA2 funding only with entities that are duly incorporated and validly existing in the Project Country. Nefco reserves the right not to start negotiations with any of the Applicants. Nefco may cease the due diligence process at its sole discretion. All contracts are subject to a successful due diligence review and individual prior no-objection from the Donor(s).

	Contracting	All contracts between CSPs and Nefco for MCFA2 funding are expected to be signed by the end of 2024.	September-December 2024
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9. Payments

Payments of MCFA2 funding are made in return for contracted CSPs timely meeting the agreed milestones for (i) the implementation of business and development aspects of the project and (ii) selling and sustaining the number of CCS offered at the contracted wC to end-customers in the Project Country within a reasonable time frame.

Applicants selected for contract negotiations will be asked to suggest the preferred time and content of individual business development milestones and CCS delivery milestones, respectively, to ensure effective business development, project implementation progress and a good cash flow. This will form the basis for the contract negotiation. All milestones will need to be adequately justified and acceptable to Nefco.

Payments of the catalytic grant component to cover business development activities can be made against the CSPs meeting such milestones during the first 12-18 months of implementation. These can be related to (i) the establishment of the CSP's business in a new market, (ii) roll out and scale up activities in the Project Country in which the CSP is already operating and/or (iii) the launch of a new eligible product or the implementation of a PAYGO and/or 'tool and fuel' business model in that market.

The RBF component of MCFA2 can only be provided in return for CSPs selling and sustaining an agreed number of CCS to end-customers.

Payments to the Applicant are subject to MCFA2 funding made available by the Donor(s) to Nefco.

10. Monitoring, reporting and verification

MCFA2 uses the SmartME system also for reporting and monitoring purposes. MCFA2 funding will be released upon CSPs' provision of progress reports and supporting documentation demonstrating that the agreed project and CCS milestones have been met.

Contracted Applicants should generally be willing to provide Nefco with detailed information throughout the course of the contract, including but not limited to information on stove sales and customers' payment status for MCFA2-financed CCS (e.g. through PAYGO systems), stove use (for stoves with SUM capability), fuel production, sales and consumption as well as on co-financing, development, environmental, gender and job creation impacts. CSPs should also be willing to provide more granular data on established CCS.

Contracted CSPs must further generally be willing to provide detailed information on business performance, market developments and related risks through progress reports and regular engagement with the MCFA team.

CSPs will also be required to provide digital customer-relationship management (CRM) and accounting records that can be (independently) audited to verify the delivery of clean cooking services and project costs.

CSPs should, as applicable, also be willing to provide data to an automated near-real-time monitoring system. Applicants, if contracted, will therefore be required to integrate automated data transfer with this monitoring system where appropriate. The integration interface should be able to support the automated transfer of a range of data points related to customer information, cooking service specifications, geography/location, payments and transactions, usage and fuel sales (applicable to 'tool and fuel' business models), etc. Please note that Applicants must possess the internal software systems to automate the transfer of CCS data. Contracted Applicants will further be required to enter into a data-sharing agreement. Data collection and sharing requirements can typically be met using various modern sales/CRM systems/loan or PAYGO management platforms. Contracted Applicants will be eligible for technical support to cover reasonable, verifiable expenses incurred in establishing IT links necessary for the transfer of information to an automated monitoring system.

MCFA will commission periodic verifications by an IVA on payment requests submitted to Nefco. Compliance with requirements related to the CCS sustainability (as described above in Section 4.4) will also be monitored and regularly verified by an IVA.

11. Reservations

Nefco reserves the right to amend the timelines and to request additional information from invited Applicants at any stage of the MCFA2 application process.

Nefco further reserves the right to adjust and/or further supplement the MCFA2 requirements, as well as any other guidance related to MCFA2, provided here or elsewhere. In case of changes, Applicants will be informed in a timely manner via the SmartME system.

The MCFA2 Application Guidelines do not constitute an offer by Nefco.

12. Personal data and confidentiality

For the purposes of the application and evaluation process, Nefco will collect and process certain personal data. This processing is based on Nefco's legitimate interest to assess the financial strengths and eligibility of the project proposals. Nefco's full Global Privacy Policy can be found [here](#). In the Global Privacy Policy you can read about how Nefco processes personal data and your rights as a data subject. Nefco's Data Protection Officer can be reached at dataprotection@nefco.int. External evaluators taking part in the evaluation process will also have access to the data provided to Nefco as part of the application.

When registering with the SmartME application system for the first time, Applicants are provided with a privacy notice from Adalia (the provider of the SmartME application system), which provides information on the personal data processed by Adalia when creating an account for the Applicant. In addition, Applicants are requested to read and agree to Adalia's User Agreement.

13. Prohibited Practices, Integrity Due Diligence and compliance requirements

Nefco is committed to ensuring that funds are used for their intended purposes and managed with the highest level of integrity. Nefco does not tolerate any form of fraud, corruption, abuse, coercion, collusion, obstruction, money laundering or financing of terrorism ('Prohibited Practices', as defined in Nefco's Policy on Anticorruption and Compliance⁸). To that effect, Applicants invited to the due diligence stage will be required to complete and sign a certificate of compliance before the start of the due diligence review and contract negotiations.

During due diligence, Nefco will carry out a thorough integrity due diligence (IDD) review of the highest scoring Applicants in accordance with Nefco's Policy on Integrity Due Diligence⁹ and Applicants will be requested to provide Nefco with further information relating to their legal status, ownership, organisation, etc., as well as that of possible partners.

14. Misconduct, inquiries and complaints

To make a complaint, please go to the following link: <https://www.nefco.int/contact-us/complaints-review/>

Or email us at: complaints@nefco.int

Reports of corruption or misconduct in activities related to Nefco should be made via Nefco's Ethics and Compliance function. The report is confidential and can be submitted anonymously at:

<https://www.nefco.int/contact-us/report-corruption-and-misconduct/>

Alternatively, you can email us at: corruption@nefco.int

⁸ https://www.nefco.int/wp-content/uploads/2021/11/Policy-on-Anticorruption-and-compliance_2021.pdf

⁹ <https://www.nefco.int/wp-content/uploads/2021/09/Policy-on-IDD.pdf>

ANNEX A: Technical Requirements

Applicants are invited to familiarise themselves with the technical requirements described in Table 6 below. These requirements will also apply to any new CCT and/or fuels proposed, including during project implementation. MCFA2 generally has a strong preference for technologies that maximise energy efficiency and the lifetime of products/systems used to deliver the CCS.

To ensure quality and reliability, Applicants are required to employ technologically modern equipment/hardware and software subcomponents in respect of any ancillary equipment or systems in compliance with relevant technical standards (e.g. ISO/IEC, IEC IEEE or equivalent).

Eligible CCT/CCS

MCFA2 can incentivise CCT sales that meet the Tier 4-5 ratings for thermal efficiency, cooking emissions (PM_{2.5} and CO) and safety based on ISO/TR 19867-3:2018 and/or relevant technology-specific standards/benchmarks. Eligible Tier 4-5 CCT include biogas, bio-LPG, LPG (in selected countries), electric, bioethanol and solar (thermal/photovoltaic) stoves. In addition, gasifier and forced-draft rocket stoves that use sustainable briquettes or pellets that meet Tier 3 ratings or above for all of these same metrics can also be incentivised.

The stoves and fuels supported with MCFA2 funding must be in compliance with the local standards or regulations as applicable in the Project Country and adhere to international best practices. For this reason, LPG stoves are required to demonstrate a minimum thermal efficiency of 52%.

Non-eligible CCT/CCS include:

- Tier 1 and 2 stoves
- stoves using charcoal, traditional biomass or fossil-fuel based ethanol
- any technical solution relying on lead batteries (CCT or new off-grid storage capacity)
- CCS based on the installation of new off-grid electricity generation capacity using exclusively non-renewable fuels (e.g. new proposals for diesel-based mini-grids).

TABLE 6: CCT TECHNICAL REQUIREMENTS AND TIER MATRIX¹⁰

MTF ATTRIBUTES		TIER 1-2	TIER 3	TIER 4	TIER 5
Eligible CCT type		Not eligible	Gasifier, forced-draft rocket stove	Electric, biogas, bioethanol, bio-LPG, LPG, solar (thermal/photovoltaic), gasifier, forced-draft rocket stove	
Cooking emissions	ISO voluntary performance targets PM _{2.5} (mg/MJ _d) CO (g/MJ _d)		≤ 218 ≤ 7.2	≤ 62 ≤ 4.4	≤ 5 ¹¹ ≤ 3.0
Cookstove efficiency	ISO voluntary performance targets		≥ 30%	≥ 40% ≥ 52% (LPG)	≥ 50% ≥ 52% (LPG)
Safety	ISO voluntary performance targets (in points)		≥ 77	≥ 86	≥ 95
Fuel availability			Primary fuel available 80% of the year	Available 80% of the year	Readily available throughout the year (i.e. minimum of 95%)
Convenience of purchase (hours per week)			< 3	< 1.5	< 0.5

Applicable standards, benchmarks and testing protocols

MCFA2 supports CCT that adhere to widely accepted international quality and performance standards. To qualify for MCFA2, during the Final Application stage Applicants will be required to provide documentary evidence from a recognised testing centre/laboratory listed in Table 8 below to demonstrate that their proposed CCT meets the required performance metrics for thermal efficiency, cooking emissions (PM_{2.5} and CO) and safety based on ISO/TR 19867-3:2018 and/or other applicable standards or benchmarks (see Table 7 below for details).

Laboratory testing results that have been concluded after 01/01/2020 should be submitted in conjunction with the second part of the final application together with the financial CCS offer.

Additionally, gasifier and forced-draft rocket stoves will have to be tested together with a sample of the proposed fuel with which they are intended to be used. If different fuel sources apply for given applications or across several applications, Applicants will be required to test gasifier and forced-draft rocket stoves with a fuel sample from each source. For the purposes of the evaluation, Applicants are required to submit a minimum of one test result for each proposed stove type with a fuel sample from the Project Country. Tests with all applicable fuel sources should be finalised during the due diligence review at the latest.

¹⁰ <https://mtfenergyaccess.esmap.org/methodology/cooking>

¹¹ To test Tier 5 emission levels (PM_{2.5}), testing labs require sophisticated equipment (filters and scales). Applicants who intend to test a Tier 5 stove and/or a bio-LPG, LPG or bio-ethanol stove are required to choose a testing lab that has the capacity to do so. Please refer to the restricted shortlist of labs in Table 8. The requirement on PM_{2.5} for Tier 5 stoves may be relaxed for the purpose of the evaluation on a case-by-case basis to accommodate technical challenges at the level of the testing labs (e.g. delays in receiving results of PM_{2.5} measurements).

TABLE 7: APPLICABLE STANDARDS/BENCHMARKS

MTF ATTRIBUTE	GASIFIER, FORCED-DRAFT ROCKET STOVES (PELLETS/ BRIQUETTES)	BIO-GAS	BIO-LPG, LPG	BIO-ETHANOL	SOLAR THERMAL	ELECTRIC GENERAL & SOLAR PV	ELECTRIC PRESSURE COOKERS (EPC)
Cooking emissions	ISO/TR 19867-3:2018: - Household stoves: based on ISO 19867-1:2018 - Institutional stoves: preferably based on ISO 5714:2023 ¹²				N/A	N/A	Global Leap Benchmark
Cooking efficiency						Applicable widely accepted standards ¹³	
Safety	ISO/TR 19867-3:2018 based on ISO 19867-1:2018 or ISO 5714:2023	ISO 23550:2018 and ISO 23551 (all parts), ISO/TS 21364-1:2021 Biogas only: ISO 23590:2020 Other widely accepted standards as relevant (e.g. EN 30-1-1)	Applicable widely accepted standards		ISO TR 19867-3:2018 based on: ISO 19867-1:2018 or ISO 5714-2023 ¹²	IEC 60335-2-6	
VETTED/ ACCREDITED TESTING CENTRES/LABORATORIES							
	See Table 8 ¹¹	For emissions (ISO/TR 19867-3:2018): restricted shortlist of laboratories in Table 8				Efficiency tested by recognised testing labs ¹⁴	Kijani Testing Lab in Kenya through VeraSol
		For safety: Gas, ethanol, solar and electric cooking appliances shall be certified by recognised testing labs as meeting minimum requirements of widely accepted safety standards					

¹² ISO TR 19867-3:2018 typically applies to stoves with a firepower lower than 10 kW and a cooking vessel volume of less than 25L. Institutional stoves typically exceed these thresholds. Applicants are encouraged to use the appropriate standard for the proposed CCT, however, given the recent publication of ISO 5714:2023, testing results based on the protocol ISO 19867-1:2018 will be accepted for institutional stoves in MCFA2.

¹³ Applicable standards for electric stoves will depend on the technology and best practices. Applicants will be required at the Final Application stage to demonstrate that their proposed products meet state-of-the-art requirements/standards for the specific intended use.

¹⁴ Examples of testing labs for e-cooking: Colorado State University (US), Kijani Testing (Kenya) and test labs with ISO 17025 accreditation to specific standards related to e-cooking, including:

- Indian standard for pressure cookers on performance (IS 2347)
- UK standards for pressure cookers for domestic use (BS EN 12778:2002)
- Household and electrical appliance general safety requirements (IEC 60335-1)
- Safety standard for rice cookers and EPCs (IEC 60335-2-15)
- Safety standard for induction stoves (IEC 60335-2-6)
- Performance standard for induction stoves (IEC 60350-2)

TABLE 8: SHORTLIST OF TESTING CENTRES/LABORATORIES

COUNTRY	TESTING CENTRE/LABORATORY ¹⁵	RESTRICTED SHORTLIST	INSTITUTIONAL STOVES ¹⁶
DRC	Centre for Studies and Research on Renewable Energies, Kitsisa Khonde (CERER-K)	Tier 4 ONLY	
Ghana	Council for Scientific and Industrial Research (CSIR-IIR)	YES (tier 4/5)	
Kenya	Kenya Industrial Research and Development Institute (KIRDI) Stove Testing Centre	Tier 4 ONLY	
Senegal	Centre for Study and Research on Renewable Energy (CERER)	Tier 4 ONLY	
Uganda	Centre for Research in Energy and Energy Conservation (CREEC)	YES (tier 4/5)	
USA	Aprovecho Research Center	YES (tier 4/5)	YES
USA	Berkeley Air Monitoring Group / Colorado State University (CSU)	YES (tier 4/5)	YES

PAYGO-enabled systems, smart meters, SUM technology and other Internet of Things (IoT) devices

Applicants proposing to use PAYGO-enabled systems, smart meters, SUM technology and other IoT devices used for monitoring stove usage and/or enabling repayments in instalments will need to demonstrate that these systems have a sufficient track record for assessing their reliability in real-world conditions. Applicants will also need to prove that these systems cannot be easily bypassed or tampered with (e.g. cabling in the case of an external smart energy meter).

In their application, Applicants are requested to justify the rationale for the inclusion of SUM systems (e.g. temperature sensors), for example in the context of generating evidence of stove usage for accessing carbon finance. Applicants shall also detail technical specifications/functionalities of the proposed SUM technology (e.g. type of data captured, frequency, etc.) and explain how these, as well as the proposed number of CCS equipped with SUM, relate to the chosen carbon credit methodology. Nefco reserves the right to exclude proposed SUM systems from a potential MCFA2 funding contract if they are not deemed fit for purpose.

Fuels

Applicants are requested to demonstrate that the production and the entire fuel supply chain comply with the relevant statutory regulations and technical standards applicable in the Project Country, as well as with international best practices, such as composition (e.g. water content, contaminants, impurities, etc.), sustainable resource management, sustainable downstream fuel supply chain (e.g. for empty bio-LPG/LPG cylinders or bio-ethanol bottles, bags for pellets, etc.), health and safety and quality (e.g. ASTM E3050 for

¹⁵ For contact details, please see: <https://cleancooking.org/regional-testing-and-knowledge-centers/>

¹⁶ Listed for indicative purposes only. To test institutional stoves, Applicants can choose any testing laboratory in the shortlist which has the capacity to apply ISO 5714:2023 for the proposed CCT.

bioethanol, Pellet Fuel Institute standards, IEC TS 62257 for additional electricity generation capacity, etc.). In particular:

- Applicants selected for contract negotiations will be requested to provide detailed technical design documentation for all aspects of the fuel supply chain and the proposed solution will be checked during the due diligence review according to best practices and applicable standards and regulations.
- Additionally, and as applicable, Applicants invited to due diligence will be required to demonstrate, for example through robust biomass resource assessments and collection plans, that any proposed biomass, bioethanol, bio-LPG, LPG and/or biogas solutions are not likely to lead to deforestation or other forms of ecological degradation and will not have material negative impacts on food security, protected areas or biodiversity.

Electric Pressure Cookers (EPC)

EPCs included in the 'Global LEAP Awards Buyer's Guides'¹⁷, i.e. an already named winner or finalist in a previous round of Global LEAP awards competitions, or eligible for financing under a Global LEAP RBF, are automatically eligible for MCFA2 funding. Applicants offering EPCs that were not included in the previous Global LEAP award competitions are required to submit evidence that the proposed products are at least equivalent to the performance and quality benchmarks of Global LEAP Awards Finalists for each product category in conjunction to the part 2 of the final application together with the financial CCS offer. To verify this, the following procedure applies:

- During the Final Application stage: Provision of two randomly-selected product samples to an independent third-party testing centre/laboratory which has an active partnership with VeraSol for EPCs¹⁸ for testing using the relevant Global LEAP test methods¹⁹. Costs incurred to determine that these requirements are met should be covered by Applicants and will not be compensated under MCFA2²⁰.
- During the due diligence review: Provision of the test result in a standard test report template enabling Nefco to liaise with VeraSol at the due diligence review to compare the quality and performance of the offered product with corresponding size/form factor category in the Global LEAP award database. Reasonable costs for VeraSol's assessment will be covered through MCFA2. After VeraSol's evaluation, all product data reviewed by VeraSol will be shared publicly on its dedicated database. The same process will apply during project implementation.

¹⁷ List of products available here: <https://storage.googleapis.com/e4a-website-assets/2020-Global-LEAP-EPC-Buyers-Guide.pdf>

¹⁸ Kijani testing lab in Kenya. Please confirm with VeraSol (info@verasol.org) before contacting the lab.

¹⁹ <https://efficiencyforaccess.org/publications/type/test-methods/>

²⁰ Any costs incurred before an award will not be compensated by MCFA1. The costs incurred after an award will not give rise to additional payment from MCFA1 but can be considered as eligible costs.

ANNEX B: Clean Cooking Service Tier Matrix and CCS Input Data

During the MCFA2 Final Application stage, Applicants are requested to categorise the different types of CCS they will offer to end-customers using the Tier differentiation presented in [Annex A](#).

This information should be included in the financial CCS offer (part 2 of the final application) which, together with laboratory testing results confirming the selected Tier of the offered CCS, will be used to calculate the wC of the clean cooking services.

The level of clean cooking service of each CCS will be weighted in line with the overall objectives of MCFA2. The weightings reflect the proposed increase in the quality, performance and type of cooking services provided, more specifically:

- A minimum base weight for a one-ring/burner stove is defined for each Tier.
- Within a Tier (Tier_i), the base weight increases with thermal efficiency to reward improved performance and is capped by the minimum base weight of the higher Tier category (Tier_{i+1}).
- A higher base weight applies to solar-based CCT (both thermal and photovoltaic).

In addition, premiums may apply on top of the base weight if a CCT delivers enhanced cooking services:

- Larger stove capacity, such as an increased number of rings/burners, and/or firepower suitable for cooking pots/vessels typically used by commercial and/or institutional customers will be rewarded through specific capacity premiums.
- EPCs, for which particularly stringent quality requirements apply (see [Annex A](#)), will also benefit from a capacity premium.
- CCT deployed with SUM systems and/or PAYGO-enabled CCT will be incentivised by additive premiums.

Finally, CCS deployed as part of a 'tool and fuel' business model will be particularly incentivised. In order to treat all investments in the fuel production and value chain equitably, Applicants are requested to specify the amount of capital expenditure that will be invested into the fuel value chain ('fuel CAPEX') for the proposed project.

The applicable weights and premiums are described below. Applications submitted will be evaluated based on their ability to maximise the VfM offered to MCFA2.

$$w_{CCT_i} = \underbrace{\text{Minimum}\left(\frac{\eta}{0.3}, \text{Min } w_{Tier_{i+1}}\right)}_{\text{Base weight}} * (1 + p_{Cap}) + p_{PAYGO} + p_{SUM}$$

Where:

- | | |
|------------------------------|--|
| CCT _i | is a specific clean cooking technology/stove within Tier _i |
| w _{CCT_i} | is the final weight applied to CCT _i |
| η | is the thermal efficiency of CCT _i or defined as η = 6.72 for solar CCT |

$Min w_{Tier_{i+1}}$	is the minimum weight for Tier _{i+1}
p_{Cap}	is the premium applicable for a larger CCT capacity
p_{PAYGO}	is the premium applicable for PAYGO-enabled CCT
p_{SUM}	is the premium applicable to CCT equipped with SUM

TABLE 9: CLEAN COOKING SERVICE TIER MATRIX²¹

MTF ATTRIBUTE		TIER 1-2	TIER 3	TIER 4	TIER 5
Cooking emissions (\leq)	PM _{2.5} (mg/MJ _d)	Not eligible	218	62	5 ¹¹
	CO (g/MJ _d)		7.2	4.4	3
Safety (\geq)	points		77	86	95
Thermal efficiency (\geq)			30%	40%	50%
MINIMUM WEIGHT			NA	1	1.33

TABLE 10. CCT INCENTIVE FRAMEWORK

CCT CHARACTERISTIC		PREMIUM
Capacity	2 rings/burners EPC if capacity <7l 4 rings/burners if MTF Tier <5	50%
	4 rings/burners if Tier=5 EPC if capacity \geq 7l	80%
	Institutional/commercial stoves from a capacity of 20l	$\frac{\text{Capacity}^*}{10} - 1$ *rounded down to the nearest 10l
SUM ²²		+0.7
PAYGO		+0.7

²¹ Lowest Tier applies, i.e. in order to qualify as a certain Tier, a given CCT shall meet or exceed requirements for that Tier in all dimensions.

²² Will not apply to CCS offered by Applicants that have indicated existing carbon revenues.

TABLE 11. FUEL INCENTIVE FRAMEWORK

FUEL TYPE	WEIGHT
Pellets/briquettes, LPG, bio-ethanol	7.5
Biogas, bio-LPG	11.8
Electricity	22.4

Weighted cost per CCS

The weights are combined to determine the average weighted cost of the basket of CCS offered through the Applicant's proposal, as per the formula below:

$$wC = \frac{\sum_i Cost_{CCT_i}}{Total\ funding\ request} * \underbrace{\frac{\sum_i \frac{Cost_{CCT_i} * CCS_i}{w_{CCT_i}}}{\sum_i CCS_i}}_{wC\ stoves} + \frac{\sum_j CAPEX_{fuel_j}}{Total\ funding\ request} * \underbrace{\frac{\sum_j CAPEX_{fuel_j}}{\sum_j CCS_j * w_{fuel_j}}}_{wC\ fuel}$$

where:

- wC is the weighted cost per CCS
- i represents the different types of CCT proposed
- j represents the different fuels proposed
- CCS_i is the targeted number of CCS offered for CCT_i
- $Cost_i$ is the incentive per CCS requested by the Applicant for CCT_i
- w_{CCT_i} is the weight associated with CCT_i (as defined above)
- $CAPEX_{fuel_j}$ is the value of CAPEX investment for fuel_j
- CCS_j is the number of CCS deployed under the 'tool and fuel' model with fuel_j. Note that for biogas, CCS_i is the number of stoves. There can be more than one stove connected to the same biodigester.
- w_{fuel_j} is the weight associated with fuel_i as displayed in Table 11.

ANNEX C: Gender Equality and Empowerment of Women and Girls

Introduction

Empowering women and promoting gender equality is crucial to accelerating sustainable development. Ending all forms of discrimination against women and girls is not only a question of basic human rights but also has a multiplier effect across all other development areas.

The MCFA programme aims to actively promote, incentivise, and transfer best practices regarding gender equality in MCFA Project Countries. Hence, MCFA2 requires contracted CSPs as well as Consortium Members to offer equal opportunities for men and women through their own employment practices as well as the proposed projects and to follow a gender-sensitive procurement approach. Applicants who integrate gender equality as a core value into their final applications will be specifically rewarded.

MCFA is promoting gender inclusion at all stages of the programme. The Final Application stage has a clear focus on gender aspects in the evaluation of the business plan, with 12 points assigned to evaluating the performance of the Applicant and the proposed project on specific gender aspects²³. In turn, gender commitments made in the final application will be transformed into contractual undertakings. During implementation, gender aspects will further be thoroughly monitored and enforced in an active dialogue with contracted CSPs.

At the Final Application stage, three main aspects will be considered:

- 1) whether the proposed project is designed in an inclusive manner and appropriately addresses the needs of both women and men as well as girls and boys;
- 2) whether the Applicant and its Consortium Member(s) can demonstrate its commitment to gender equality at a company level; and
- 3) whether the Applicant and its Consortium Member(s) are willing to commit to ambitious targets to close possible gender gap at the company/Project Consortia level.

Gender inclusion at project level

Applicants are requested to demonstrate how the design of the proposed project will actively address gender aspects. As part of the project implementation, contracted CSPs will be required to provide a detailed gender action plan²⁴ at the proposed project level.

At the project level, gender inclusion in the design and eventually the project-level action plan should address, but not be limited to:

- an impact statement describing the expected long-term gender impact of the proposed project;

²³ During the Final Application stage, the current performance of the Applicant in terms of gender equality will be assessed as part of the evaluation criteria 'Implementation and operation capacity' and 'HR, management capacity and gender representativeness'. Project-level gender design will be assessed as part of 'Development, climate and environmental impact potential'. Points will be awarded based on the assessed quality of these parameters.

²⁴ For gender aspects that are relevant to the implementation of the business plan and proposed project.

- specific and measurable gender goals for action during project implementation, supported by measurable indicators and targets;
- measures that will be taken to achieve these gender goals within a defined time frame and the distribution of roles and responsibilities between Consortium Members if applicable;
- a description of planned concrete measures to support women as promoters of change, e.g. work with women's savings groups, associations of women entrepreneurs, etc.;
- planned capacity strengthening activities targeted at increasing women's participation in the project implementation;
- measures on women's inclusion at all levels of project implementation, including a gender-based marketing strategy with aspects specifically targeting women as beneficiaries in rural and peri-urban areas, as well as mechanisms to promote gender equality and empowerment in marketing and advertising materials;
- description of how the offered CCS will meet the needs of women and men, particularly for women in relation to reproductive work²⁵ and for men (with a particular focus on rural areas); and
- potential of the project and contracted CCS for women's productive use of energy; Applicants should in particular detail how they will 1) support the development of or investment in technologies that create productive use opportunities for women and 2) proactively target women-lead businesses and microenterprises.

Gender equality and prevention of SEAH at company level

To be contracted, CSPs and Project Consortium Members will be required to have in place both an acceptable gender policy and an acceptable policy on prevention of sexual exploitation, sexual abuse and sexual harassment (SEAH) that comply with Nefco's corresponding policy requirements.

Applicants will be requested to provide these policies (on their own behalf and on behalf of Consortium Members) during the due diligence and must be found to be acceptable to Nefco at the latest before the first payment of MCFA financing.

Requirements for contracted CSPs' gender equality policy

For the gender equality policy to be acceptable, it should clearly communicate the CSPs/Consortium Members' commitment to gender equality and outline related priorities and practices. The policy should in particular cover areas such as workplace diversity and inclusion, access to equal opportunities including equal remuneration for work of equal or comparable value, parental leave, a process for correcting inequalities and allocation of accountability for gender equality. The policy should also include approaches to promote gender equality towards the company's external stakeholders, including customers.

Requirements for contracted CSPs' SEAH policy

For the SEAH policy to be acceptable, it should be based on zero tolerance of SEAH violations by staff and representatives, both in workplace and non-workplace settings, and include clear and effective enforcement mechanisms. It should in particular set out express obligations for the CSP's staff and representatives, subcontractors and other suppliers to take all reasonable measures to prevent and respond to SEAH and to

²⁵ Any unpaid work such as cooking, cleaning, washing, care giving and other daily activities

refrain from condoning, encouraging, participating in or engaging in SEAH. The CSP shall take all necessary action to prevent SEAH and counteract and investigate any SEAH allegations.

Company-level gender action plan

CSPs are requested to demonstrate their existing commitments as a company to gender equality in the workplace and, if contracted, to provide a solid company gender action plan.

The information provided to demonstrate the company's existing gender equality efforts and eventually the company gender action plan should include but not be limited to:

- an overview of the current performance of the company on gender representation and equality of pay, using the five indicators listed below;
- definition of yearly targets based on the five indicators below to promote/improve gender equality in the workplace during project implementation; and
- specify activities carried out to achieve these goals within a defined time frame.

When assessing the company's existing and future gender commitments, a higher score will be given to Applicants that actively promote gender equality and that can demonstrate this through an existing gender-balanced representation at all hierarchical levels as well as equality of pay. Therefore, Applicants are required to provide information on the following, both current and planned:

- number of Governing Board Members, disaggregated by gender (absolute and relative)
- number of Executive Managers, disaggregated by gender (absolute and relative)
- number of employees in other roles by gender (absolute and relative)
- gender pay gap quartiles (see Box 3 for more details)
- mean gender pay gap in hourly pay (see Box 3 for more details)

MCFA2 expects contracted CSPs and their Consortium Members to strive to close their potential gender gaps during the project implementation. At a minimum, when the proposed project has been completed, all contracted CSPs and Consortium Members involved in the implementation of the proposed project should aim to:

- achieve at least 35% female representation in the workforce; and
- halve their existing gender pay gap, reducing it to no more than 35%.

BOX 3: HOW TO CALCULATE EQUAL PAY INDICATORS

The calculation methodology used by MCFA is based on a simplified version of the [UK's Gender pay gap reporting framework](#). In the Final Application stage, CSPs will be required to provide aggregated data on two indicators: 1) Gender pay gap quartiles and 2) Mean gender pay gap in hourly pay, as described below.

During the implementation of MCFA, contracted CSPs will be requested to report equal pay indicators in a way that adheres more strictly to the full UK Gender pay gap reporting framework.

To calculate the two following indicators, Applicants need to secure a listing of the amount paid to all directly contracted employees (not commission-based agents) as wage/salary in January 2024 (excluding potential pay of overtime but including potential bonuses) as well as their contractual working hours (in January 2024) and gender.

Gender pay gap quartiles

1. For each employee, calculate the hourly pay by dividing the amount paid to each employee by the contractual working hours in January 2024.
2. Rank the employees from highest to lowest pay (based on the hourly pay).
3. Divide the list into 4 groups with an equal number of employees in each group (lower-pay quartile, lower-middle-pay quartile, upper-middle-pay quartile and upper-pay quartile).
4. Calculate the respective proportions of women and men (in %) in each pay quartile.

Mean gender pay gap in hourly pay

5. Calculate the mean hourly pay rate for women: (sum of hourly pay rates of all female full-pay relevant employees) / (number of female full-pay employees).
6. Calculate the mean hourly pay rate for men: (sum of hourly pay rates of all male full-pay relevant employees) / (number of male full-pay employees).
7. Calculate the mean gender pay gap in hourly pay as a percentage of men's pay (in %): (mean hourly pay rate for men – mean hourly pay rate for women) / (mean hourly pay rate for men).

ANNEX D: E-Waste Management Requirements

MCFA recognises the environmental challenges facing CSPs when dealing with end-of-life (EoL) products, especially as regards ensuring proper collection and handling of waste and e-waste in particular. Effective national policies, regulations and the physical infrastructure to manage e-waste are lacking in many countries.

In the context of MCFA, waste is defined as EoL products from the provision of cooking services. The materials and components used in the provision of these services vary significantly depending on the technology. Metal is predominantly used for stove tops and other materials can be used in the rest of the system, including plastic knobs, cement and bricks for biodigesters and some PAYGO-enabled gasifiers, solar panels, batteries, control units with circuit board-mounted electronic controls, cables and fans²⁶.

General requirements

Where applicable, CSPs should, at a minimum, comply with national environmental laws regarding waste management. In addition, compliance is required with regional requirements related to the implementation of the Basel²⁷, Stockholm²⁸ and Bamako²⁹ Conventions, likewise alignment with relevant international good practice as defined by the IFC Performance Standards³⁰, World Bank Group EHS Guidelines³¹ and GOGLA e-waste toolkit³², as applicable.

Waste management policies (particularly e-waste policies where applicable)³³, operational management plans and standard operating procedures (SOPs) should outline how the CSP plans to take care of its waste, as well as the storage and handling of products once they reach EoL.

1. Prior to first payment, Applicants will be required to provide an acceptable policy for their waste handling.
2. During the first 12 months of implementation, Applicants will be required to provide an acceptable operational plan for their e-waste handling, which demonstrates that they can meet the MCFA minimum requirements. The e-waste management plan should be tailored to the local context and include procedures for e-waste handling, transportation, storage and upcycling/repair/recycling/safe disposal. No specific format for the plan is required, but at a minimum the plan should include (as applicable):
 - purpose and scope
 - compliance with relevant national legislation (list policies/legislation applicable)
 - roles, responsibilities and authorities in the company
 - document amendment record/document control
 - definitions
 - practices for Waste Management implemented in the company

²⁶ It is not expected that all these waste fractions can be processed in sub-Saharan Africa.

²⁷ <http://www.basel.int/TheConvention/Overview/tabid/1271/Default.aspx>

²⁸ <http://www.pops.int/TheConvention/Overview/tabid/3351/Default.aspx>

²⁹ <https://www.unenvironment.org/explore-topics/environmental-rights-and-governance/what-we-do/meeting-international-environmental>

³⁰ IFC, Performance Standard 3 <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standard-3>

³¹ World Bank Group, General EHS Guidelines, Section on Waste Management [World Bank Group Environmental, Health, and Safety Guidelines \(ifc.org\)](https://www.worldbank.org/en/operations-projects-programs/infrastructure/energy/World-Bank-Group-Environmental-Health-and-Safety-Guidelines)

³² GOGLA <https://www.gogla.org/circularity>

³³ In this context, a waste policy is the guidelines/set of principles which guide CSP in its course of action, whereas a plan is a roadmap or defined set of future actions needed to achieve a specified goal.

- competence, training and awareness
- storage arrangements
- access to licensed recycling or disposal facilities
- plan for contracting with the licensed recycling or disposal facility
- risk management
- financial plan and/or incentive structure (if appropriate)

Any EoL SOPs concerning lithium batteries and used fuel containers (e.g. bio-LPG and LPG cylinders and bio-ethanol bottles) should also cover safety precautions for handling, safe storage and transportation/shipment to address health and safety risks.

Contracted CSPs may be required to develop a recycling partnership plan or similar within an agreed period after signing a possible contract with Nefco.

ANNEX E: Minimum Security Requirements

Duty of Care

Contracted CSPs are fully responsible for implementing the proposed project at their own risk. Neither Nefco nor the Donor(s) can accept any duty of care or liability arising from project implementation or the funding thereof. Therefore, CSPs will be contractually requested to fully and adequately manage their operational risk and ensure duty of care to their staff, associated network of partners and collaborators during the implementation of the proposed project.

To adequately mitigate security risks, contracted CSPs will be required to carry out and regularly update a security risk assessment, analysing the context and threats to their operations from a safety and security perspective to recommend mitigating actions that both enable safe project delivery and that meet the businesses' duty of care requirements.

Applicants are requested to carefully consider security risks as part of their proposal, both in the design and as part of their funding request per CCS. Security risks and mitigation measures should be identified and reflected in the business plans submitted by Applicants both from an operational and cost perspective. Applicants will also be required to document these in a Security Plan after contracting.

Security plan

The Security Plan should be tailored to the local context and to the level of risk assessed in each case. No specific format for the plan is required, but at a minimum the plan should include:

- 1) Threat and risk assessment protocols, including methodology and frequency of updates
 - a. risk management protocols
 - b. general security guidelines and protocols for staff
 - c. clear designation of responsibility
 - d. staff sensitisation and training
 - e. updates
- 2) Emergency response procedures
 - a. medical evacuation
 - b. incident management
- 3) Journey management protocols
 - a. operating procedures, including the potential involvement of national authorities as well as the regulation of driver hours and accommodation selection
 - b. vehicle standards
 - c. driver standards
- 4) Communication plan
 - a. phone tree
 - b. types of communication and alternatives