

Professionalization of Improved Cookstoves (ICS) Production Centres

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1. Overview of the Initiative for Improve Cookstoves

1.1. About the Initiative

Energising Development Kenya (EnDev Kenya) portfolio, at end March 2020, commenced a 4-year initiative for **promoting market development and access to improved cookstoves (ICS) in Kenya**. The initiative builds on EnDev Kenya's experiences in the cooking energy sector with focus of scaling and enhancing past achievements. The initiative is implementing an innovative Improved Cookstoves (ICS) market transformation strategy in Kenya, and further improving global knowledge about ICS sector contribution to Nationally Determined Contributions (NDCs). It will significantly increase the number of ICS users in Kenya particularly in peri-urban and rural areas. The initiative will significantly limit consumption of non-renewable biomass in the cooking sector compared to the baseline situation, leading to greenhouse gas (GHG) emission reductions.

1.2. Objective

The objective is to accelerate the growth of the Improved Cookstoves (ICS) sector with an irreversible market transformation that will significantly increase the level of ICS production and sales, particularly in more remote and rural locations, thereby enabling Kenya to significantly advance the achievement of the stated NDC goals.

1.3. Overview of the Implementation Strategy and Key Interventions

The initiative will support the **ICS market development**, which is **predominantly informal**, focusing on supply and demand side. Supply side interventions comprise professionalising the ICS production (mechanisation, quality assurance and business development support), expansion of the distribution and retail chains including intensive marketing and facilitating access to market-based finance for ICS enterprises. Demand side interventions comprise awareness creation and behavioural change campaigns to facilitate demand creation. There are also interventions for facilitating a supportive enabling market environment such as ICS standards & regulations, capacity building of county governments, enhancing stove testing infrastructure and institutionalisation of ICS training.

2. Professionalisation of ICS Production Centres

2.1. Background

One of the key interventions in the initiative is the **professionalisation of ICS producers**, who are **currently predominantly informal**, with focus on mechanization, equipping & infrastructure improvement of stove production centres, quality assurance and business development support. The ICS producers are **private sector enterprises**. The initiative will co-finance professionalisation of these ICS Producers and this will be **directly paid by GIZ** using GIZ processes and procedures. The ICS producers are also required to contribute **20%** of the value of the machines/tools/equipment and **10%** for infrastructure improvement.

An **Operational Manual** to operationalize the support to professionalise the ICS producers was prepared, finalised and approved by in **August 2020**.

2.2. Overview of the support measures for ICS producers

The table below provides an overview of support measures for ICS producers in line with the Operational Manual:

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| Purpose of the support measures: | Market development and professionalisation of ICS producers who are currently predominantly informal |
| Beneficiaries: | ICS producers |
| Type: | Private sector enterprises, groups, individuals |

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|--|--|
| Estimated number of ICS producers targeted: | ≈100 ICS producers who will be segmented in to artisanal, professional and business class |
| Eligibility Criteria of potential ICS producers to participate: | <ul style="list-style-type: none"> Existing ICS producer with evidence of average monthly ICS production figures monitored and verified (as outlined in the operational manual) Quality of ICS as outlined Membership in a sector association (Kenya) or registration with the Chamber of crafts (Senegal) (Non-)Affiliation to other programs funded by ODA or Carbon Market Special case: fast developing artisanal producers |
| Selection criteria for eligible ICS producers to receive support: | <ul style="list-style-type: none"> Average monthly sales figures reported by ICS producers Availability of own contribution |
| Selection process of the ICS producers: | <p>The selection process shall follow the following process:</p> <ul style="list-style-type: none"> Regional sensitisation forums Call for Expression of Interest (at least 2 windows for application are foreseen) Evaluation of the eligible ICS producers in line with the eligibility criteria outlined in the Operational Manual Evaluation of the selection criteria before processing the request for support from the ICS producers |
| Support measures for ICS producers: | <ul style="list-style-type: none"> Procurement of machines, tools, equipment, and related technical assistance/training (i.e. hand tools, manual/electrical machines, transportation machines, safety equipment, communication equipment) Procurement for construction services and related technical assistance/training (i.e. workshop infrastructure) Procurement for of goods and services for business development support (such as marketing, expansion to new areas, establishment of distribution channels, mentorship, entrepreneurship training and related technical assistance) Facilitate the ICS producers, i.e. travel, accommodation, logistics and others, to carry-out their day to day business development activities e.g. market activations, marketing |
| Means of triggering the support to the ICS producers: | <ul style="list-style-type: none"> The support shall be provided to selected stove producers in steps/phases (as described in the Operational Manual) on the basis of formal request from the selected ICS producers. The support shall also be provided on performance basis, meaning that the support shall be sustained during the implementation period subject to the ICS producers delivering stoves sales and other specific milestones that shall be mutually agreed and in-line with the Operational Manual. |
| Period of supporting the ICS producers: | 2021-2024 (the support will be sustained during the entire implementation duration) |
| Method of engaging ICS producers | Cooperation agreement without flow of funds from GIZ to beneficiaries |

2.3. Process outline

