Global Partnership to Accelerate Finance for Clean Cooking

Digital Innovations Challenge - REQUEST FOR APPLICATION (RFA)

Optimizing Data and Monetizing Impact in Clean Cooking

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ABOUT THE Digital Innovations Challenge

The Global Partnership to Accelerate Finance for Clean Cooking between the Clean Cooking Alliance (CCA) and the United Nations Capital Development Fund (UNCDF) was initiated in 2022 to address financing needs for clean cooking markets. The Global Partnership is launching an inaugural Digital Innovation Challenge to support private sector enterprises working to address data and information barriers that will increase finance for clean cooking companies and their consumers. This focuses on digital innovations that reduce the time and cost for data and information management and facilitate faster access to financing opportunities such as from carbon markets or results-based financing (RBF). These digital innovations can include but are not limited to providing monitoring devices, platforms and infrastructure solutions (i.e. cloud services, software, data centres, mobile internet connectivity) for improved tracking of results associated with clean cooking (including but not limited to climate, health, environment and women's economic empowerment) and linking these to finance opportunities and solutions that enable investors, lenders, project developers, and other funders to have required information on clean cooking companies. This *"Optimizing Data and Monetizing Impact in Clean Cooking"* Innovations Challenge comprises of activities related to providing industry insights, market linkages, networking opportunities, and grants for the design, implementation, or expansion of winning projects.

ABOUT UNCDF

UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF IDE Energy has been investing in the clean energy sector since 2014, through grants, debt, technical assistance and evidenced-based policy development.

ABOUT CCA

Clean Cooking Alliance (CCA) works with a global network of partners to build an inclusive industry that makes clean cooking accessible to the three billion people who live each day without it. Established in 2010, CCA is driving consumer demand, mobilizing investment to build a pipeline of scalable businesses,

and fostering an enabling environment that allows the sector to thrive. Clean cooking transforms lives by improving health, protecting the climate and the environment, empowering women, and helping families save time and money.

Contents

1 EXECUTIVE SUMMARY

More than 2.6 billion people continue to live without access to clean fuels and technologies costing the planet more than $2.4 trillion each year. Though access, adoption and use increasing, at current rates, more than 1.4 billion people are expected not to have access to clean cooking solutions by 2030, missing the SDG 7 universal access target by a very wide margin. The very low rates of access reflect the complex, fragmented and thin market for the range of cleaner fuels and tools that support clean cooking. Clean cooking itself does not comprise of one single commodity. There are many different fuels (e.g., biomass, diesel, LPG, electric) and tools (e.g., cookstoves, pressure cookers, rice cookers etc.) on the supply side with various energy use cases (e.g., frying, boiling, slow cooking etc.) on the demand side. Achieving universal access to clean cooking by 2030, will require at least US$4 billion a year: Only about 3.5 percent, approximately US$ 137 million, of the annual funding need is being met through public funding and private finance[1]. Approx. 1 gigaton of carbon dioxide equivalent is produced every year from burning wood fuels, equal to 1.9- 2.3% of global emissions.[2] Carbon finance is a potentially growing source of finance for clean cooking.

Clean cooking market transactions do not operate in isolation but also depend on other factors from the ecosystem surrounding these markets. There is growing consensus that supporting functions of finance, data and information are shared binding constraints to the effectively functioning of all markets for cleaner fuels and tools. The costs associated with overcoming these constraints limits market entry, sustainability of businesses and pace of growth, which results in shallow market penetration across most developing countries.

- *As these new digitally-focused methodologies are explored, how can we leverage these products and platforms to create transparency in baselining and quantified impacts, and reduce the time to align projects between developers, verification bodies and financiers?*
- *How can digital innovations be utilized to reduce the cost and time of results verification, create better visibility of the clean cooking impacts (including but not limited to climate, health, women's economic empowerment and environmental) and align with financing opportunities? How can this transparency create confidence to connect more investors to the sector?*
- *How can the data available through clean cooking companies been better utilized to enable access to finances and building confidence within domestic credit markets?*

Information and digital solutions for clean cooking companies can enhance financing in the sector through:
- Streamlined data collection and baselines for core business (efficiency, user-centricity, product quality etc.) and associated impacts (including health, gender, environment and climate) at

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[1] https://www.seforall.org/publications/energizing-finance-understanding-the-landscape-2021
[2] CCA

company and project development level, enabling faster projects, additional financing/ monetization and accurate credit pricing.

- Diversified and increased investors and investment to multiple companies with digitization integrated into investment processes, such as RBFs and climate finance, to create track record and aggregate projects.
- Data and transparency tools to de-risk financing and enable new financing mechanisms.
- Collection and transparency of impact pricing information and tracking to create fair opportunities for companies and investors.

The Global Partnership shall launch and manage a digital innovations challenge to discover, test or take to market digitally-enabled (monitoring) devices, platforms and services that aim to address failures in the interconnected markets for data, finance and clean cooking fuels/tools.

The overall goal of the challenge is to:
- Develop innovations to ease access to finance (including from publicly funded output-based finance program, carbon markets, and commercial credit markets), through both increasing the availability and amount of this financing and reducing the associated costs. This is anticipated to be achieved through reducing the time, effort, and operational costs of information management (including collecting, processing, analyzing, verifying, and storing transactional data) between clean cooking companies and financing opportunities.
- Improve transparency and accuracy of data across the clean cooking supply chain including financial decision-making, with a focus of moving towards more quality services and standardized KPIs for the sector.

This RFA seeks to select private sector entities who are providing a digital innovation or digital service to be part of the digital innovation challenge, which includes three stages for which successful applicants will participate if they qualify for each stage –
Stage 1 - Bootcamp: tentative June 2023,
Stage 2 - Acceleration: tentative July-December 2023 and
Stage 3- Scaling implementation: tentative 2024-2025

Therefore, eligible applicants will apply to this RFA to participate in the innovation challenge – commencing with bootcamp, with further requirements and selection for acceleration and scaling implementation stages with processes detailed further in this document. Therefore, this RFA is for screening for bootcamp participation. The Global Partnership may provide a number of awards/grants at different stages, depending on the overall support requested, crowding-in of external funds and achievements of companies throughout the Digital Innovations Challenge.

The lead applicant must be a private sector entity with interest in providing digital solutions. This does not include funding for clean cooking products such as improved biomass cookstoves, LPG, etc but focuses on digital technology-based innovations (such as monitoring devices or platforms) that can

support clean cooking products. Candidates are encouraged to apply as a consortium with a clean cooking enterprise, however, this is not a requirement at the bootcamp stage.

Inquiries to this RFA may be submitted by email to rfa.ide.energy@uncdf.org . For any email inquiries, please include in your subject line: **Digital Innovations Challenge RFA**

All applications must be submitted by 23:59 EST, the New York time zone on May 7, 2023 through UNCDF e-investment platform: apply platform

2   INTRODUCTION

Switching to clean cooking – using modern stoves and fuels – transforms lives by improving health, protecting the climate and the environment, empowering women, and helping consumers save time and money. Cooking without clean stoves and fuels releases toxic pollutants into the environment and engenders the health and well-being of billions across the globe. Open fires and inefficient stoves create household pollutants which put the families living in the home at risk of several serious diseases and even death. The use of open fires and inefficient stoves in cooking emits black carbon and other pollutants, and contributes to climate change, sea ice melt and deforestation. Women, in particular, are exposed to the unhealthy pollutants released by cooking with biomass fuels and outdated stoves. The time dedicated to cooking and collecting fuel also interferes with their ability to attend school and generate income. Clean cooking has a dedicated indicator under Sustainable Development Goal (SDG) 7, which calls for "access to affordable, reliable, sustainable and modern energy for all." More broadly, clean cooking directly contributes to reaching 10 out of the 17 SDGs.

Clean cooking is one of the most immediate and cost-effective solutions available to address the triple-planetary crisis of climate change, nature-loss, and pollution; global ambition and partnerships are needed to scale up climate finance to accelerate clean energy cooking solutions to achieve climate and sustainable development goals.

2.1   THE PROBLEM

More than 2.6 billion people continue to live without access to clean fuels and technologies costing the planet more than $2.4 trillion each year: Over 400 million people gained access to clean energy solutions from 2010-2018 but more than 2.6 billion people continue to live without access to clean fuels and technologies. Most people without access to cleaner fuels and tools rely on biomass for cooking, contributing to as much CO_2 emission as the global airlines industry or Japan as a whole. In addition, the unsustainable harvesting of fuelwood leads to degradation of forests and a loss of natural assets needed to remove CO2 from the environment. Low levels of access costs the planet more than $2.4 trillion each year, driven by adverse impacts on health ($1.4 trillion), climate ($0.2 trillion), and women ($0.8 trillion from lost productivity) (WB, 2020).

Though access, adoption and use are increasing, at current rates more than 1.4 billion people are expected not to have access to clean cooking solutions by 2030, missing the SDG 7 universal access target by a very wide margin. Regionally, over 1.6 billion people without clean cooking access live in developing Asia, home to almost 65 percent of the global population without access. Seven-times more people lack clean cooking access than electricity in this region. The lack of access to clean cooking is also acute in sub-Saharan Africa where democratic shifts have increased the number of people without access to around 900 million in 2018. These shifting rates of access are such that by 2030 the top 20 clean cooking access deficit countries will be home to 80 percent of the global population without access to clean cooking solutions, with ten of these countries being in Africa and ten in Asia.

Achieving universal access to clean cooking by 2030, will require at least US$4 billion a year: Only about 3.5 percent, approximately US$ 137 million, of the annual funding need is being met through public funding and private finance[3]. Public and philanthropic funding of about US$ 70 million a year[4] have been the primary source of funding to help clean cooking companies expand services to families and businesses, establish shared industry infrastructure, and support governments develop and implement enabling policies. Currently U$ 1 of public and philanthropic funding leverages almost 90¢ of private finance, far behind the actual US$ 6.3 achieved in other environment-related investments in developing and middle-income countries[5]. If clean cooking markets generate 50% - 100% of the benchmark leverage ratio, annual financing could grow from US$ 137 million a year to between US$290 million – US$580 million a year – that is at least between 2x-4x growth in annual financing if public and philanthropic funding remain at their current levels. This could be higher if clean cooking markets are able to leverage the full potential of carbon revenue, which increased 21-fold between 2017 to 2020[6]. Financing can be higher still if there is successful monetization of other impacts such as, for example, improved health and avoidance of women lost productivity, which could be a US$2 trillion market over time[7].

Untapped carbon markets: Approx. 1 gigaton of carbon dioxide equivalent is produced every year from burning wood fuels, equal to 1.9- 2.3% of global emissions.[8] Carbon finance is a potentially growing source of finance for clean cooking. Replacing inefficient cooking devices with clean ones that have fewer CO2 emissions can generate carbon offsets or credits. The exponential growth of carbon finance flowing into the clean cooking markets is strengthening companies' viability, enabling them to grow faster, and often driving down the cost of cooking solutions for the customer. Although more companies are tapping into revenues from carbon markets, entry barriers remain high and the pool of companies able to benefit from carbon revenues is still limited. The contribution of carbon finance to the clean cooking sector in 2019 of around 10mio USD in 2019.[9] Carbon credits have predominantly accrued to improved biomass solutions. The transaction cost and time related to registering a carbon project are high and reasonable prefinancing options are non-existent. The carbon market entails major risks related to lack of transparency, integrity and sustainability which needs to be addressed.

2.2   TOWARDS MARKET GROWTH – ADDRESSING SHARED BINDING CONSTRAINTS

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[3] https://www.seforall.org/publications/energizing-finance-understanding-the-landscape-2021

[4].https://cleancooking.org/wp-content/uploads/2022/05/CCA-2022-Clean-Cooking-Industry-Snapshot.pdf

[5] https://www.thegef.org/sites/default/files/publications/Blended_finance_Final_NI_Approved_LR_0_1.pdf

[6] https://cleancooking.org/wp-content/uploads/2022/05/CCA-2022-Clean-Cooking-Industry-Snapshot.pdf

[7] The financial impact of poor health and women's lost productivity as a consequence of not having access to cleaner fuels is an estimated US$2.2 trillion, according to the World Bank (https://ci-dev.org/result-stories/esmap-and-ci-dev-pave-way-scaling-innovative-financing-clean-cooking)

[8] CCA

[9] https://www.linkedin.com/pulse/carbon-finance-yet-untapped-potential-modern-energy-cooking-stritzke

The above problems underline the three key challenges at the intersections of data, finance, and clean cooking market systems that constrain the pace of market growth:

Clean cooking market transactions do not operate in isolation but also depend on other factors from the ecosystem surrounding these markets. Key supporting functions, such as for example, finance or information or physical or digital infrastructure set the foundation on which any transaction takes place, while the rules & regulations such as pricing policies or import duties or Foreign Direct Investment (FDI) law define the 'rules of the game' and determine a framework within which core market transactions are undertaken. Critically, all the supporting functions enabling the growth of clean cooking solutions constitute markets themselves – therefore, making clean cooking markets responsive requires working to improve other interconnected markets.

There is growing consensus that supporting functions of finance and data and information are shared binding constraints to the effectively functioning of all markets for cleaner fuels and tools. The costs associated with overcoming these constraints limits market entry, sustainability of businesses and pace of growth, which results in shallow market penetration across most developing countries. Unless these are addressed, aggregate market performance across all solutions will remain highly concentrated in a few companies and a few countries with shallow penetration everywhere else.

Project Development: Data collection for project development is the vital step to successful results-based financing or access to carbon credits of clean cooking solutions. Baselining of solutions and impact opportunities enables the transparency for financing, however currently the data is either missed entirely, for example initial forest degradation or health status, or obtained through lengthy and costly in person processes done for each specific project. More accurate data on baselines and positive impacts on customers and local ecosystems can allow the demonstration of real linkages to forest conservation and health impact and secure higher prices for credits that could cover the supplementary costs of reaching remote areas. More holistic accounting of the range of benefits including energy, forest, soil, health and increased women's economic empowerment and productivity could also attract a diversified range of investors that are focused on broader investments.

The challenge of baselining across multiple impacts and multiple technologies has often prevented the opportunity being explored and maintaining utilizing the current system with individual projects, simplified impact and no change in methodologies. New methodologies are being developed such as the Gold Standard Methodology for Metered Devices, by MECS and ClimateCare, that brings together the available country baselines and usage tracking of cookstoves.

As these new digitally-focused methodologies are explored, how can we leverage them and utilize products and platforms to create transparency in baselining and their impact opportunities and reduce the time to align projects between developers, verification bodies and financiers?

> ***The cost of slow verification –*** *Emission reduction purchasing agreements have in some cases taken up to three years for verification and funds to arrive back with the company. This can prevent stability of company's cash flows. This has been seen to cause companies to pull out of projects or companies to struggle and potentially fail.**10***

Results Measurement and Verification: Results are often still measured with in-person verification at set dates after the required action has been taken, for example stove delivered to customer, replanting of associated forestation. The time and cost this takes, associated with data then being transmitted back to financiers for their auditing, has stopped companies taking advantage of these results-based financing opportunities and carbon credits, including not tracking results associated with health, women's economic empowerment and environmental impact from clean cooking.

How can digital innovations be utilized to reduce the cost and time of results verification, create better visibility of the clean cooking impacts (including but not limited to climate, health, women's economic empowerment and environmental) and align the financing opportunity? How can this transparency create confidence to connect more investors to the sector and result in improve affordability of clean cooking solutions for households?

Prefinancing: Even in the cases when companies have sufficient information for the development and verification required for financing there remains lengthy time gaps between contracts and payments. This is both the case on the side of results-based financing for the companies and at the consumer financing level to enable the affordability of solutions. Clean cooking markets have little access to local credit markets to finance capital expenses, operating expenses, and value-added services to customers (e.g. in various forms of consumer finance). Typical barriers to credit market access such as maturity of clean cooking businesses or credit market liquidity appear not to have a bearing on the ease or difficulty of accessing local credit markets. Limited understanding among credit market actors of the business case of clean cooking markets is a general problem. More specifically, most credit market players do not have tested and established risk underwriting processes to reliably assess distinctive cash flow patterns (comprised of, for example, revenues from commercial operations, reliable public subsidy flows, and carbon revenue) and price credit risk of clean cooking companies and consumers even in situations where large volumes of transactional data are available from company Enterprise Resource Planning (ERPs). For clean cooking investors there remains relatively few proven business models for clean cooking technologies that have demonstrated financial sustainability at scale, alongside which there is a lack of data on the clean cooking market, its companies, and customers. This lack of information both prevents investors and companies being attracted to the market and companies currently in the market from being able to promote themselves effectively to access finance.

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10 Clean Cooking Alliance market research (2022)

How can the data available through clean cooking companies been better utilized to enable access to finances and building confidence within domestic credit markets?

2.3   THE OPPORTUNITY – USING DIGITAL TECHNOLOGIES

Information and digital solutions for clean cooking companies can enhance financing in the sector through:

- Streamlined data collection and baselines for core business (efficiency, user-centricity, product quality etc.) and associated impacts (including health, gender, environment and climate) at company and project development level, enabling faster projects, additional financing/ monetization and accurate credit pricing.

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- Diversified and increased investors and investment to multiple companies with digitization integrated into investment processes, such as RBFs and climate finance, to create track record and aggregate projects.
- Data and transparency tools to de-risk financing and enable new financing mechanisms.
- Collection and transparency of impact pricing information and tracking to create fair opportunities for companies and investors.

The digital opportunity: Digital innovations have globally transformed how we access and use services, and in turn transform lives. Adjacent parts of the energy access sector to clean cooking have created their growth and scale through digital innovations; with early companies vertically integrating their digital solutions to gain market insights, manage customers and products and enable customers to pay. As the energy access market has scaled, more digital specialists have grown and spun out, enabling more companies to benefit from the efficiencies and scale offered by their solutions. Digital solutions have now stretched beyond the companies and customers to how investors are managing and monitoring their programs and bringing more financing into the sector, such as associated carbon financing and increased investor confidence through the transparency of results and impact. Changes brought in through digitization in existing conventional methods of production, processing, warehousing, distribution, retail, customer transactions, etc. results in improved insights and decision making resulting in overall scalability and adaptability. Digitization and transformation initiatives results in improved business models and customer experiences, thereby maximizing asset value, reducing operating expenses, improving service delivery, and stimulating expansion, all of which contribute monetarily. The digitization of companies results in an enormous digital footprint and the generation of a large amount of data that can now be used for credit decision processes and underwriting. The use of data and digitalization to become more efficient, increase revenues and profitability, enhances the investability of these companies. Access to such under writable data of companies helps improve credit approval rates, encouraging more digitalized companies to access credit and overall reduce the challenging credit gap that exists for small and medium companies in specific.

This growth in digital solutions in energy access has been led by solar home system and Mini grid players; utilising the technology to reach new customers, bring efficiencies to operations and aggregating financing. With a focus on solar home systems and Mini grids, clean cooking companies have often been an add-on or an aside to digital solutions development. This has created a gap in solutions and an opportunity to develop those that meet the needs of clean cooking companies and potential investors, helping direct the financing to support their growth and deliver more clean cooking solutions to end users.

Results Based Financing Tracking – *Platforms have been developed to enable the real time data flow between results and investors, for example, Odyssey enables Mini grid investors and developers to be easily coordinated through data from the smart meters on the grid. Energy Data and Intelligence System for Off-Grid Networks (EDISON) has enabled real time data flow between investors and companies in the solar home system sector, creating transparency and confidence in results.*

Impact Finance Platforms– In addition to tracking the number of energy users, platforms have been developed to link usage to carbon credits. Solstroem's direct integration to data from off grid solar providers and alignment to CDM and the CarbonClear carbon registry allows off grid solar to gain financing from carbon credits and investors to purchase transparent and verified results. Platforms, such as Pachama, Regen Network, and Earthshot Labs, are beginning to be used to improve access to carbon finance, advancing digital solutions to develop new marketplaces for carbon investors to source high-quality nature-based carbon credits. These platforms have the potential to better connect clean cooking solutions that integrate NbS to a diversified range of investors and secure results-based finance in relation to a range of outcomes.

Increasing transparency - *Fair Climate Fund has been piloting the integration of cookstove usage with carbon credits through distributed ledger technology, with the cookstove user themselves gaining the financial incentive from the tracking of the associated CO2 reduction. Biome Finance, a blockchain system, is looking to provide upfront finance to a range of nature and clean cooking enterprises, then issuing tokens that are linked to the underlying USD intangible asset instead of the tradeable carbon credit*s 11

The price gap with nature-based credits
While high-quality AFOLU projects with multiple benefits are starting to move toward US$30 per ton, clean cooking projects still fetch closer to US$10 per ton. Addressing this price gap is especially critical to scaling clean cooking solutions in remote and rural locations most relevant to nature-based solutions, where additional transaction costs are potentially 3 to 5 times as high as in less remote rural areas. Improving the impact credibility, reducing the transaction costs of MRV, and improve the transparency

> *and packaging of different outcomes for a range of investors will help to address information gaps for nature-based solutions and clean cooking.11*

The monetization opportunity: Multiple sources of revenues beyond direct sales of products and services are now becoming increasingly available and make up a significant component of total revenues for growing number of companies in clean cooking value chains. These include revenue generated from buyers in the market for public goods (e.g. ESG impacts) where mostly public funders pay clean cooking providers an ex-ante subsidy to acquire a new customer by subsidizing either the higher-than-normal costs of doing business (because of market failures or entry barriers) or, for12 addressing the adoption/affordability constraints due to the lower-than-normal purchasing power of end-users. There is also growing revenue of clean cooking companies from buyers in the market for carbon-offsets where mostly private buyers voluntarily pay clean cooking companies for the reduced CO_2 emissions from use of their environment friendly products and applications. Similar revenue potential exists in market for resultant positive externalities accrued by use of clean cooking products and services, such as environmental/ecological goods (comprising reduced forests degradation and better natural ecosystems to sustain natural habitat and life) and social goods (such as better health outcomes, increased women's economic empowerment and productivity). These non-core business revenues are mostly generated through, for example, results-based finance projects, carbon projects, nature-based solution projects, and social outcome projects.

3 THE DIGITAL INNOVATIONS CHALLENGE: Optimizing Data and Monetizing Impact in Clean Cooking

Based on the problems, shared binding constraints and digital opportunity outlined above for clean cooking, this innovation challenge focuses on the addressing the twin challenges of – Optimising Data and Monetising impact; and covers the following mentioned activities:

3.1 Areas of Innovation

The Global Partnership shall launch and manage a digital innovation challenge to discover, test or take to market digitally enabled (monitoring) devices, platforms and services that aim to address failures in the interconnected markets for data, finance and clean cooking fuels/tools.

The overall goal of the challenge is to:
- Develop innovations to ease access to finance (including from publicly funded output-based

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11 Accelerating Clean Cooking as A Nature Based Solution, Clean Cooking Alliance, October 2022

12 Accelerating Clean Cooking as A Nature Based Solution, Clean Cooking Alliance, October 2022

finance program, carbon markets, and commercial credit markets), through both increasing the availability and amount of this financing and reducing the associated costs. This is anticipated to be achieved through reducing the time, effort, and operational costs of information management (including collecting, processing, analyzing, verifying, and storing transactional data) between clean cooking companies and financing opportunities.

- Improve transparency and accuracy of data across the clean cooking supply chain including financial decision-making, with a focus of moving towards more quality products and standardized KPIs for the sector.

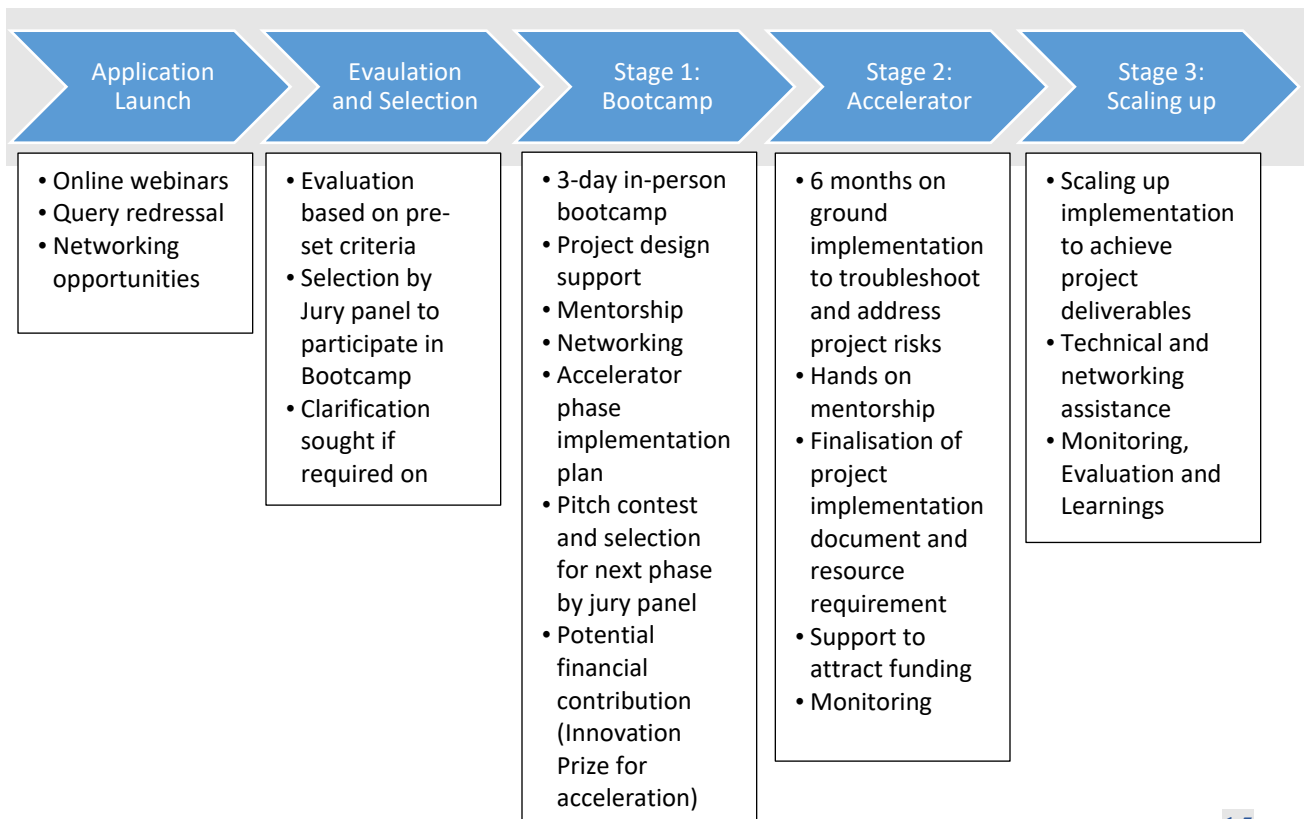The solutions can include but are not limited to:

- **Digital services to improve data collection and monitoring, such as devices.**
    - For example – solutions that offer a device or hardware that can improve data collection and monitoring; like smart-metering/timers and PayGo operability; IoT based technologies/platforms and connected to stoves providing information on usage etc.; etc.
- **Digital services to improve business processes such as customer relationship management (CRM), ERPs, data management and analytics.**
    - For example – solutions that offer a software that improves business processes; like platforms offering pricing and use information across geographies for improved analytics and market penetration decisions; knowledge management and data aggregator and sharing platforms related to outreach and impact metrics; operating system that tracks the manufacturing process to support the team in decision making, procurement, scheduling, streamlining communication, data-driven etc.; open access to digital solutions for multiple enterprises; tracking enterprise performance; having digitally centralised centres for enterprises; marketplace for goods and services at one place; etc.
- **Digital services or platforms for carbon finance.**
    - For example – solutions that are platforms/marketplaces/intermediaries for carbon credits. They do not issue their own finance; like providing real time information on carbon savings; efficient and data-driven technology platform for the issuance of carbon credits with fair and transparent pricing models; block chain based exchange of carbon credits; digitalising the whole process by including use of mobile phones at end user level; etc.
- **Digital services or platforms for investment/financing.**
    - For example – solutions that are platforms which provide a service for investment (non-carbon) such as RBFs, due diligence, or issuing their own credit; like data drive customer centric and process centric credit assessment platforms by leveraging analytics to support financiers to inform and assess their investment decisions; platforms working with multi stakeholders to inform on capital allocation, assess ability to pay, demand and supply aspects that ensures collaborations and policies that enhance further investing in clean cooking sector; integrated digital platforms that provide automated feasibility analysis, e-tendering, RBF management, remote monitoring; etc.

The team at the Global Partnership is open to hearing what potential applicants have in mind outside of the aforementioned digital innovations shared, as long as the scale, commercial viability and impact objectives are aligned and that applicants can demonstrate the examples will enhance data flow, accuracy and access to finance. All solutions shall be reviewed against the data and financial environment of planned country of operations.

3.2 Innovation Challenge Stages of Support

This digital innovation challenge design approach takes into consideration the need for incremental involvement to ensure maximum crowding in of innovations and interested companies (irrespective of their present size and scale) and providing them with customised technical support based on type of project they have submitted (concept, prototype, market entry, scaling up etc.). To minimize the inherent risks involved in implementing unproven initiatives and to create the ecosystem to support the success of such initiatives, it become imperative to have a gradual support mechanism in stages. With the diversity we expect in terms of participating companies, projects, products, target markets etc. this innovation challenge will involve the below mentioned three stages of support. Selected applicants to the digital innovations challenge will gain from technical assistance and risk capital (grants) towards solutions development throughout the implementation journey.

Application Launch	Evaualation and Selection	Stage 1: Bootcamp	Stage 2: Accelerator	Stage 3: Scaling up
• Online webinars • Query redressal • Networking opportunities	• Evaluation based on pre-set criteria • Selection by Jury panel to participate in Bootcamp • Clarification sought if required on	• 3-day in-person bootcamp • Project design support • Mentorship • Networking • Accelerator phase implementation plan • Pitch contest and selection for next phase by jury panel • Potential financial contribution (Innovation Prize for acceleration)	• 6 months on ground implementation to troubleshoot and address project risks • Hands on mentorship • Finalisation of project implementation document and resource requirement • Support to attract funding • Monitoring	• Scaling up implementation to achieve project deliverables • Technical and networking assistance • Monitoring, Evaluation and Learnings

2 months	7 months	1-3 years

3.2.1   Challenge Application Launch

Request for Applications (RFA) will be announced via digital platforms and networks. Those companies interested in being part of the Digital Innovations Challenge should apply on UNCDF's APPLY Platform by the stated deadline. Paper-based applications will not be accepted.

During the application phase online webinars will be conducted for interested applicants to disseminate information about the challenge, its objectives, benefits and application process. It will also answer any queries related to the application that interested applicants may have. With multiple companies with diverse backgrounds participating in the webinars and within UNCDF and CCA networks, there would be opportunities for exploring collaborations between multiple interested applicants.

All applicants (selected and non-selected) can opt to have their application details on file by UNCDF and CCA to be considered for other support opportunities in the future.

3.2.2   Bootcamp Stage

Post the selection of winners based on RFA submitted, the winning applicants will participate in a three day, in-person bootcamp to be organised in Nairobi. The bootcamp shortlisted applicants (two persons from each applicant team) will be assigned a mentor, who will support them in taking their concept to the next stage and preparing for the pitch. On the final day, all teams will pitch their solutions to a panel of judges.

The objective of the bootcamp is to:
- Review the business model and further strengthen the same for achieving the intended market outcome;
- Review the risks in project implementation and refine mitigation strategies;
- Strengthen the project design and its implementation through enhanced partnerships, networks and further insights wherever required;
- Ensuring that business models and overall project is clearly presented and communicated;
- Identify key aspects that would require troubleshooting and further mentorship support during accelerator stage;
- Having all shortlisted companies receiving technical support during bootcamp stage to make their project design more viable;

- Provide a venue for networking with clean cooking companies, who could become partners for pilot or implementation

Cross cutting topics for the bootcamp will focus on:
- Value proposition, business model, risks identification and mitigation, market and customer context would be covered
- Market opportunity and value proposition on data and information and various ways of monetizing impact in the clean cooking industry
- Catering to different types of clean cooking needs and stakeholders in the value chain based on industry, market and policy categorization.
- Digital use cases and infrastructure that can be tapped into for various stages of clean cooking industry business processes
- Aspects related to pricing risks, data collection methods, project development, managing large quantity of data for insights and decision making etc.
- On the customer side - need for human-centered design (HCD), customer insights related to affordability and adoption and implementing the same for better product offering, data security and privacy, etc.

Additional support through sessions or mentorship will cover aspects around:
- Implementation plan and partnerships: operational, technical, product, and financial partnerships across the proposed business model value chain for ensuring success of the project.
- The gaps that exist and how we can facilitate and support in addressing those.
- Data and transparency tools for improving efficiency, having scale, and mobilizing partnerships and financing.
- How to link with investors and financiers for products and services offered, including the emerging multiple revenue sources (including carbon markets) based on public goods generated by the clean cooking industry.
- Partnership modalities in the clean cooking value chain, connecting with clean cooking companies, digital and technology service providers, revenue and impact measurement aspects will also be covered.
- Entry barriers to new markets and overall plan of implementation will be reviewed and discussed.

Networking events will be also organized in the evenings enabling participants to interact with stakeholders in the clean cooking sector and develop further partnerships. Overall the bootcamp will be delivered through a combination of small group sessions led by industry experts focused on different streams, Q&A sessions, open sessions, one to one mentoring on respective projects, networking events

and to-dos for the next days. The resource persons for the bootcamp is drawn from various expert fields and backgrounds, so as to meet the customized need of participating companies. Experts from the field of financing, investing, clean cooking sector, networks and alliances, partnerships, project design, business model review etc. will be delivering the content mentioned above.

One-to-one consultative/mentoring sessions will be organized for each project, for addressing specific issues/needs. Also, these mentors will guide the applicants towards preparing a winning pitch document to be pitched to a jury panel for next stage selection. The third day is dedicated to having the revised project design pitched to a jury panel. Based on the presentations and Q&A sessions held with the jury panel, the projects will be objectively scored, and winners announced to move to the Accelerator stage. The jury panel will have representatives from UNCDF, CCA, and industry leaders. At the end of this phase, UNCDF will select applicants and may award a mix of financial contribution and technical assistance to each selected applicant as a prize, as they continue to go to the acceleration phase.

UNCDF and CCA will cover the costs of 2 innovation team members to participate in the bootcamp in person in Nairobi. We note that an innovation team (single application) may derive from two companies applying in partnership; thus each innovation team will nominate 2 people to join regardless of if they are from the same original company. Please ensure commitment and availability to travel to Nairobi when applying to be part of the Digital Innovations Challenge.

3.2.3   Accelerator Stage

The bootcamp stage enabled the participants to identify possible constraints in their project and partnership design and propose most effective and efficient solutions to address the same. It also provided the participants to further strengthen their overall business mode.

During the accelerator stage, the winners of the bootcamp will be able to test out their project design on the ground for 6 months. Accelerator teams will receive hands on technical assistance from the innovation challenge team and dedicated technical support of an expert/mentor.

UNCDF and CCA will provide the necessary support during this stage to ensure that all local information and logistic is available to the innovators.

The accelerator stage will enable selected companies to manage the risk on the ground and identify any bottlenecks/lacunae before substantial resources are committed towards full project implementation. This stage would also manage the risk of implementation roll out and test the partnership approach to manage the risks of implementation. The objective of this stage is to:

- Have the project variables tested on the ground and refined further for full scale implementation;

- Develop a partnership and ideally test the innovation with a clean cooking company during the acceleration period, enabling client feedback and user experience inputs.
- To enable companies to identify and address risks on the ground and refine their project implementation design.
- Support companies to attract funding for the stage that their solution has developed.

The winners of bootcamp stage selected for accelerator stage will develop an implementation plan and interim outputs and outcomes that they would be achieving in the 6 months of implementation. This implementation period will be more to focus on addressing variables/negative externalities that may arise during full fledged implementation, refinement and acceptability with all project ecosystem partners established and human resources (HR)and operational plan refined.

UNCDF-CCA team would work with each of the selected accelerator stage companies to identify the probable bottlenecks they would face during the 6 months implementation. The Innovation Challenge Team would identify and depute mentors for each of the implementing projects so as to provide the much-needed technical support to the companies on regular basis. Besides the regular mentoring technical support, there would be ad-hoc troubleshooting and on the ground business process related external partnerships to be addressed. The innovation challenge team would closely work with the project implementation companies and hand hold them during the 6 months duration to address the bottlenecks faced. This would include bi-monthly to monthly check ins and progress meetings with the CCA-UNCDF team to monitor progress and assess feedback on the acceleration process. UNCDF-CCA may also put together online events across the accelerator teams.

3.2.4   Implementation Stage

Post 6 months of acceleration, the projects would be reviewed to either have more time given to achieve the desired project design for full scale implementation, or move towards finalizing 1-3 years of project implementation plan (also called project description document) with resources required. The Project Description document, in addition to due diligence and recommendations made by the experts, will be the basis for final decision on next stage of performance-based grants winners by an investment committee. The Global Partnership may also crowd-in funding from interested funders and donors to support the winning applicants in the scaling up implementation phase, with each winning project being awarded up to USD 400,000.

3.3   Expected results

During various stages of the innovation challenge, applicants will develop targets on indicators, with an illustrative list below. The Global Partnership will provide guidance on indicators throughout the Challenge as to support innovations to be milestone-driven. Post the bootcamp and acceleration phase (for implementation), selected applicants and Global Partnership shall develop a monitoring framework as part of their implementation plans and performance-based agreements. This may include additional indicators and targets, tailored to the scope of the proposed solution, activities and expected results.

Indicators overview

Stage	Main Indicator Categories	Suggested Detailed Indicators
Bootcamp	Identification of innovative business model	• Identified market challenges and mapping of existing solutions • Identified impact against implementation indicators • Feedback from industry experts on proposed idea including women experts/clean cooking companies/users
Acceleration	Enhanced digital innovation for clean cooking companies	• Number of viable partnerships explored across value chain • Number of options for revenue generation models • Number of clean cooking companies piloting the solutions (disaggregated by gender) • Impact indicators selected with appropriate means for verification/monitoring tools tested
Implementation	Increased finance for clean cooking companies or clean cooking customers	• Volume of financing (pre-financing, debt, revenue) for clean cooking companies • Volume of financing for women-led clean cooking companies • Leverage/Co-finance • Increased price for outcomes (aligned with impact tracking above) • Number of clean cooking companies financed (disaggregated by gender) • Number of consumers financed • Number of new consumers using clean

		cooking products (disaggregated by gender)
	Financial savings for clean cooking companies through digitized processes	• Reduced time for project development • Reduced time and cost for results verification • Reduced time and cost to access finance for company and consumer financing
	Increased adoption of digital solutions for clean cooking	• Number of clean cooking companies registered and using the digital solutions. • Number of women-led clean cooking companies adopting solutions • Estimated time and cost savings for women clean cooking users of clients

All solutions shall also be measured by improved business models and accuracy and transparency of clean cooking impact tracking, we welcome applicant suggestions on how they shall measure improvements in this across the project.

4   ELIGIBILITY FOR APPLICATION AND EVALUATION CRITERIA

For an application to be eligible, the **lead applicant** must satisfy the eligibility criteria. Companies that do not fully fulfil the applicant criteria and still wish to apply are encouraged to do so as part of a consortium led by an eligible lead applicant. Only applications that meet the eligibility requirements and minimum criteria for the submission will be evaluated.

The 'lead' applicant is the organization through which the grant would be channeled, who will be accountable for all the funds, and who will operate as the main point of contact with the Global Partnership for the duration of the project. The lead applicant must meet the eligibility criteria.

4.1   ELIGIBILITY REQUIREMENTS

4.1.1   Lead Applicant
- The lead applicant must be a for profit private company including social enterprises or consortium led by an eligible private company registered in the target country[13] with at least one operating year experience. For profit arms of not-for profit organizations can also apply.
- The lead applicant must be a technology solutions provider including IT management consultants, fintech, IOT providers and developers, mobile and web application developers, or device developers with interest in providing digital solutions in the clean cooking sector.

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[13] Country in which project will be implemented

- Other types of entities including last mile distributors, NGO's and CBO's can apply as part of the consortium led by an eligible lead applicant.

4.1.2 Country of Operation
- The applicant can be based anywhere globally, however it needs to adhere to requirements of project implementing countries policies and regulations as may be required for the relevant technologies in the targeted countries for clean cooking companies (sub-Saharan Africa).
- If the applicant does not have regulatory approval to implement the proposed solution in the targeted countries, the applicant must either register themselves to operate in the targeted countries, or partner with a regulated institution in the country to deliver the solution as per the targeted country rules that may be applicable. During the process, applicants may be required to provide regulatory approvals, permits and licenses depending on technology.
- While companies can be headquartered anywhere globally, the clean cooking enterprise partners need to be based in Sub-Saharan Africa.
- For innovations that require networking support (i.e. partnerships with clean cooking companies have not yet been formed), UNCDF and CCA are able to provide in countries listed under the geography section
- The responsibility of adhering to the required rules and regulations in targeted countries for project implementation will be on the applicant, and these conditionalities being met will be reviewed by the Global Partnership team during assessment phase.

4.1.3 Consortiums
- Applicants may apply more than once under the RFA, whether independently or in a consortium. Please note that applications require individual email addresses for multiple submissions; the same email address cannot be used for different submissions on the UNDCF APPLY platform.
- Applications from consortiums of organizations must show that the partnership was established prior to this call for applications or due to this call for application with a letter of intent.
- The lead applicant and their partner(s) must be registered entities with at least one year of operations and must have statutory accounts and audited financial statements for at least one operating year. If audited financial statements are not available at the time of application, the applicant must provide the latest management accounts at the due diligence stage (during acceleration) and provide the Global Partnership with audited financial statements during the partnership.

4.1.4 Project funding

- During bootcamp and acceleration, participants are not required to contribute co-financing to be part of the Digital Innovations Challenge. They will be asked to verify their time commitment and availability to participate in Innovation Challenge activities.

- During implementation phase only, applicants may benefit from indicating a contribution in cash or in-kind as a co-financing for a grant. This can range from 10-30% depending on the maturity of the innovation and will be determined with guidance from the Global Partnership.

4.1.5 Exclusionary criteria

- Application shall use THE GLOBAL PARTNERSHIP submission formats and submit a complete application on the UNCDF APPLY platform, otherwise will be excluded. This includes submission of a pitch deck to consider the application as complete.
- Applicants shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure.
- Applicants and any of their staff or members of their board of directors shall not be included in the United Nations financial sanctions lists,[14] particularly in the fight against the financing of terrorism and against attacks on international peace and security;
- Entities and any of their staff or members of their board of directors shall not be employed by or receive remuneration from The Global Partnership, UNCDF or CCA. (excluding previous grantees or borrowers).
- Applicants must not be involved in any of the following activities:[15]
  o Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons
  o Manufacture, sale or distribution of armaments and/or weapons or their components, including military supplies and equipment
  o Replica weapons marketed to children
  o Manufacture, sale or distribution of tobacco or tobacco products
  o Involvement in the manufacture, sale and distribution of pornography
  o Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES
  o Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
  o Violation of human rights or complicity in human rights violations
  o Use or toleration of forced or compulsory labor
  o Use or toleration of child labor
  o Applications shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions in force in the country of incorporation

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[14] See: https://www.un.org/securitycouncil/sanctions/information

[15] See UNDP Policy on Due Diligence and Partnerships with the Private Sector (2013): https://popp. undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/ BERA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL. pdf&action=default

THE Global Partnership will conduct due diligence on applicants who have been selected for the acceleration phase. must have documents ready for confirmation that they meet the eligibility criteria, including audited financial statements, certificate of registration, certificate of compliance with the tax authorities and any other documentary evidence that might be requested by THE GLOBAL PARTNERSHIP besides the application form.

4.2   EVALUATION CRITERIA

The evaluation criteria below are based on the three stages of this innovation challenge.

Bootcamp selection criteria

Based on the documents submitted through this RFA by the applicant, the Global Partnership Innovation Challenge team will undertake desk review to select participants in the bootcamp. The same evaluation will also be submitted to the bootcamp Pitch Day Judging Panel as background information on pitch candidates. For the Bootcamp stage selection, the following is the indicative evaluation criteria:

	Criteria	Max Score
	Team Aspects	
1	Team profile and experience (including partners) in markets (or similar markets) where project will be implemented -Experience for running companies, technology development, or similar projects -Experience with running similar partnerships (if applicable)	10
2	Team's experience (including partners) in digital technologies related to clean energy, green financing, or other sustainable services	10
	Project Aspects	
3	Understanding of the market challenges/gaps/needs and relevance of solution proposed for clean cooking related market impact	15
4	Adequacy of evidence towards feasibility of the solution being adopted by identified clean cooking company	10
5	Level of traction/development demonstrated with innovation (i.e. team members assigned; pilots or studies carried out; partnerships identified)	15
6	Articulation of business model – noting that key aspects such as revenue sources, financing, etc. may be immature.	20
7	Vision and plans regarding scalability, profitability, and impact through products and services proposed	10
8	Team profile to implement the project -Diversity of roles to address project needs	10
	TOTAL SCORE	100

Accelerator selection criteria

During the bootcamp and pitches delivered by bootcamp participants, a judging panel will select projects that will enter the accelerator stage for 6 months project duration. The evaluation criteria for entering the accelerator stage are mentioned below, however this may have updates as determined by the Digital Innovations Team. Any updates will be published and shared on Day 1 of the bootcamp:

	Criteria	Max. Score
	Project Aspects	
1	Business model –value proposition, identified sources of revenue, the intended customer base, products, and details of financing.	10
2	Vision and plans regarding scalability, profitability, and impact through products and services proposed	5
3	Final Pitch: Articulation of issues for clean cooking companies and demonstration of feasible solution	15
4	Understanding and status of proposed stakeholders/partnerships to ensure project implementation and target achievements	10
5	Key performance indicators and approach towards data and insights to track business processes, achievements and learnings	10
6	Understanding of key project risks	10
	Accelerator stage aspects	
7	Feasibility of planned activities to be implemented during accelerator stage (6 months)	10
8	Adequacy of the work plan (including technical and financial support) for accelerator stage to address identified project risks and achievement of proposed deliverables	15
9	Evolution of project from pre-bootcamp idea (demonstrating willingness to incorporate expert feedback)	10
10	Team profile responsible and time allocation/commitment for implementation of acceleration stage	5
	Total Score	100

Post the completion of accelerator stage, the applicants will be supported to finalize their project description document for potential scaling implementation stage. An indicative selection criterion that would be used for selecting winners by an investment committee for scaling implementation stage is mentioned below. The Global Partnership reserves the right to update the evaluation criteria post each stage of the innovation challenge implementation.

Only applications that score at least 70 out of 100 below will be considered successful and move to the full Project Description submission and due-diligence stage.

	Criteria	Max Score
1	- **Organization profile and experience** - *Score the applicant's profile, track record, proposed idea, and quality of submitted project description document* - *At least 1 year experience in deploying digital solutions in clean cooking and/or other sectors.* - *Experience of 2 years' operating in country of implementation.* - *Feedback on progress from accelerator stage mentor.*	15
2	**Team** *Score if the applicant's proposed team structure and experience is suited for the purpose of the RFA (skills for management, technical know-how, on the field foot print, monitoring and RM capacities…)* - *Experience in business startup and managing technology companies.* - *Expertise in designing and deploying of digital solutions or devices in LDCs'.* - *Experience in designing digital solutions or devices for the clean cooking sector is an added advantage.*	10
3	**Methodology** *Score the applicant's proposed methodology and approach for the solution: if it is suited for the purpose of the RFA, if the workplan is realistic, that the project strategy covers risk management, quality control, sustainability, etc.*	15
4	**Additionality** *Score if the funding to the applicant will create:* - ***Financially additionality:*** *If the applicant cannot obtain funding from local or international private capital markets with similar terms or quantities without official support.* - ***Non-financial value:*** *Value that the private sector is not currently offering, and which will lead to better outcomes e.g. by providing or catalyzing knowledge and expertise, promoting social or environmental standards or fostering good corporate governance…*	15
5	**Gender perspective** *Score if the applicant has foreseen a gender focus in the proposed intervention, to have women both external (users) and internal (staff) benefited equally than men.*	10

6	**Sustainability and business plan** *Score if the applicant's proposal has a sustainable financial perspective and business plan that could generate an investment pipeline for digital innovation challenge.* *- Market size and growth? Does the business model contribute to market development?* *- Scalability of the Is the business model.* *- Potential for commercialization, incl. profitability and/or break-even.* *- Does the UNCDF investment contribute to market additionality and positive market demonstration effects?*	15
7	**Result Measurement** *Score if the applicant has provided coherent measurement plan and data management plans.* *The applicant must demonstrate clearly and concisely how the project will contribute to the expected impacts in terms of enabling information management and easing access to finance including (depending on solution):* • *Increased finance for clean cooking companies or clean cooking customers* • *Financial savings for clean cooking companies through digitized processes* • *Increased access and adoption of digital solutions for clean cooking*	20
TOTAL		**100**

The Global Partnership will also assess the value for money (applicable to only implementation phase) of the submissions using the following formula:

Amount of grant requested (A)

Final total financial support created for clean cooking companies (B)

Value for money A / B

Enabling Environment Review

4.3 ELIGIBLE COSTS

The criteria for eligible expenditure determine whether a cost qualifies for implementation stage funding under the Global Partnership rules and procedures. The general criteria for eligibility of costs under The Global Partnership funding which would be applied for selected **applicants for implementation phase only include the following:**

- Eligible costs must be incurred by the applicant during the project (after the signature of the PBA and up to the end of the Grant period.
- Eligible costs should be indicated in the estimated overall budget of the action attached to the PBA.
- Costs must be identifiable and verifiable, in particular being recorded in the accounting records of the applicant and determined according to the applicable accounting standards of the country where the lead applicant is established.
- Costs must comply with the requirements of applicable tax and social legislation.
- Costs must be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.
- Consultancy costs – under studies, technical assistance and other advisory services under the program carried out by international and national consultants – are eligible as follows. Professional and consultancy services are services rendered by people with a special skill, and who are not officers or employees of the organization applying for the grant. Consulting services must be justified, with information provided on their expertise, primary organizational affiliation, normal daily fee, and number of days of expected service. Consultants' travel costs, including for subsistence, are to be shown as travel expenditure. The applicant may be required to justify the daily fee.
- Workshop costs are eligible, for the workshop venue, food and beverages, and publication material.
- Training expenditure (financial education, digital education, soft skills) for the project's final beneficiaries is eligible. If applicable, this will include all related expenditure, such as the cost of the venue, participant travel, and so on. Training for the employees of the institution applying for the grant is also eligible as long as it has been demonstrated that it will link directly to the project output.
- Investment costs directly attributable to the project, relating to research and innovation, are allowable.

4.4 INELIGIBLE COSTS

The following costs are ineligible and not accepted during the implementation phase:
- Returns on capital and dividends paid by a beneficiary;
- Debt and debt service charges;
- Provisions for losses or debts;
- Interest owed;
- Costs declared by the applicant in the framework of another action receiving a grant financed from another donor;
- Indirect costs, also called overheads.

5 AGREEMENT PARAMETERS

Applicants shall prove that their solutions are aligned to the following parameters.

5.1 APPLICANTS

Eligible candidates can apply alone or as lead applicant in a consortium of firms, as long as they comply with the eligibility requirements set forth in section 3.1 in case of a consortium of entities applying to the RFA, the lead applicant shall comply with the eligibility requirements. The lead applicant will be responsible of:

- Submitting the application form and pitch deck on UNCDF APPLY on behalf of the consortium.
- Ensuring that each partner is fully aware of the composition of the partnership and of the contents of the submission.
- Signing the Technical Assistance Agreement/MOU with THE GLOBAL PARTNERSHIP if moving onto acceleration.
- Signing the CCA on behalf of the Global Partnership Standard Award Template for pitch day winners
- Fulfilling all obligations set out in the Technical Assistance Agreement/MOU
- Ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Technical Assistance Agreement/MOU
- Fulfilling all obligation set out in the Performance Based Agreement, for implementation stage only.

5.2 GEOGRAPHICAL SCOPE

- While companies can be headquartered anywhere globally, the clean cooking enterprise partners need to be based in Sub-Saharan Africa.
- For innovations that require networking support (i.e. partnerships with clean cooking companies have not yet been formed), UNCDF and CCA are able to provide in the following targeted countries: Burkina Faso, DRC, Ethiopia, Ghana, Nigeria, Rwanda, Kenya and Uganda.

5.3 PROJECT DURATION

For the acceleration phase, selected projects will have six months to prove the viability and scalability to proceed to the implementation phase. Projects that are selected for the scaling implementation phase are expected to have 12 to 36 months duration for grants. Final and assessment report will have to be submitted no later than 3 months after final disbursements and agreed upon project duration, for implementation stage.

5.4   LANGUAGE

The deliverables and any correspondence between the applicant organization and The Global Partnership must be in French or English.

5.5   BUDGET

THE Global Partnership will provide a funding and technical assistance to the selected applicants in accordance to the Evaluation Criteria as set forth in section 4.2 and appropriate to the stage of maturity of the solution in line with the Table 1 Project Funding in section 4.1.4.

During Bootcamp/Acceleration, the Global Partnership will contribute up to US$ 80,000 total across all pitch day winners as an Innovation Prize, that can be used during the acceleration phase. For the scaling implementation phase, innovations will be supported in attracting investment from the Global Partnership or from interested donors/funders, where in the grant per project for scaling up implementation will be a maximum of USD 400,000.

Applications will need to describe how applicants will deploy the investment and technical assistance or mentorship services during various stages of the Innovation Challenge. Additional technical assistance services will be provided by The Global Partnership through a separate budget line.

6   APPLICATION REQUIREMENT AND PROCESS

6.1   STRUCTURE OF THE RFA

- Please prepare the following documents that will need to be submitted through the UNCDF e-investment platform to be considered for the **Stage 1: bootcamp:**
  - ☐ Certificate of incorporation
  - ☐ Applicants will be required to attach the historical audited accounts at least for one year and /or management accounts for reference. Latest audited financial statements are applicable too. Companies that have existed for only 1 year may submit a 'Financial Summary'
  - ☐ A draft deck that visually outlines the project and/or product (10 slides maximum and as a PDF). The deck shall include the following sections: (i) Executive summary, (ii) Problem statement and market needs linked to clean cooking; (iii) Proposed Solution and any traction, (iv) Milestones (include indicative KPIs if available) and go-to-market strategy, (v) Team incl. partnership arrangement (those directly involved in solution who may

participate in bootcamp), (vi) Business model and potential revenue generation (vii) Potential risks and mitigation (viii) The Ask: funding and support needs over 12 months.

- For acceleration, innovations who have been invited to the bootcamp will make a pitch on the last day, to a panel of judges. The pitch judging criteria is provided above, but may be updated and will be published on day 1 of the bootcamp. Therefore, to be selected for the acceleration phase, innovation teams will provide:
  - ☐ Finalized Pitch Deck
  - ☐ Workplan for 6 months acceleration (Using UNCDF's Template)
- Please be aware that, **during acceleration, if the team would like to be considered for Scaling Implementation funding,** the applicant will also be requested to provide:
  - ☐ Audited Financial Statements for the last 1 year (or of a longer period, should the company has existed for more than 1 year)
  - ☐ Official document confirming that the candidate is in order related to tax and social security payments
  - ☐ Full Project Description Document (Using UNCDF's template). Please note that this document will be prepared as co-creation with the Global Partnership.
  - ☐ CV form (using UNCDF's template)
  - ☐ An updated deck that visually outlines the project and/or product (15 slides maximum and as a PDF). The deck shall include the following sections: (i) Executive summary, (ii) Problem statement and market needs; (iii) Solution, (iv) Milestones and go-to-market strategy, (v) Team, (vi) Deployment of Global Partnership funding, (vii) Business model and financial projections.

All submissions must be completed in French or English. Only applications that follow the Submission Formats and include all the necessary documentation will be considered.

6.2   APPLICATION DEADLINE

All applications must be submitted by 23:59 EST, the New York time zone on May 7, 2023 through the UNCDF APPLY Platform.

6.3   SELECTION PROCESS

- *Step 1: Eligibility screening* – eligibility will be assessed according to the eligibility requirements as set forth in section 4.1 for bootcamp selection.
- *Step 2: Shortlisting and Evaluation of eligible applications* based on the evaluation criteria set out in section 4.2. for bootcamp and information provided in the RFA online submission form including draft pitch deck Minimum 70/100 is required to be shortlisted.
- *Step 3: Participation in a boot camp:* Shortlisted applicants will be invited to participate in a 3

days boot camp to validate their ideas, build market linkages, understand the market, build further prototypes and first-level testing of their solutions for specific design challenges.

- *Step 4: Award for the acceleration:* Selected applicants during the bootcamp will present their refined innovations during a pitch day. The winners will receive an Innovation Prize and continue onto acceleration phase, which will be 6 months of hands on technical assistance and mentorship.
- *Step 5 Submission of Project Description (full proposal) document for Scaling Implementation only:* Acceleration phase participants who are deemed ready to attract investment after the acceleration process, will be invited to submit a Project Description document and the necessary annexes to be considered for funding.
- *Step 6: Due diligence* – due diligence on the scaling implementation applicants (from acceleration) can be conducted in person or virtually during the acceleration phase.
- *Step 7: Pre-Investment negotiation and PBA or preparation* – the selected applicants will finalize the scope of the grant project and finalize budgets, indicators and targets, workplan.
- *Step 8: Approval of the selected applications* by the Global Partnership Investment Committee will be reviewed, discussed, and approved by the Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.
- *Step 9: Final notification of applications* - all applicants will be notified of the status of their applications after final approval from UNCDF Board / Investment Committee.
- *Step 10*: Release of funds - Disbursements of grants will be released on achievement of each milestone.

6.4   TIMELINE

14 April 2023	Application window opens
19 April 2023	Information Session Webinar
7 May 2023	Closing Date for Application
29 May 2023	Shortlisted applicants are invited to the bootcamp
19-21 June 2023	3-Day Bootcamp
21 June 2023	Notification of pitch day winners to continue onto acceleration phase

6.5   APPLICATION ASSISTANCE FROM THE GLOBAL PARTNERSHIP

For requests and queries, please send an email to rfa.ide.energy@uncdf.org with the subject: Digital Innovations Challenge