Programme Brief

CookFund

Accelerated Market Roll-out of Clean Cooking Solutions in Tanzania
The United Nations Capital Development Fund (UNCDF) is a hybrid UN agency with a unique capital investment and development mandate.

UNCDF is implementing a three-year (December 2021-December 2024) CookFund Programme funded by the European Union (EU) under the Integrated Approach to Sustainable Clean Cooking Solutions Programme in Tanzania and the 11th European Development Fund (EDF), aiming at contributing to Tanzania’s climate change commitment by increasing the share of the population with access to sustainable cooking solutions.

The CookFund is a Euro 17 million programme that seeks to accelerate market rollout of clean cooking solution in Tanzania mainland.

The aim is to further address under-capitalization, scalability and formalization challenges and henceforth build the internal capacity of enterprises companies involved in the production, importation, distribution, wholesale or retail of stoves, fuels, or related clean cooking products and services.

CookFund aims to bridge a critical gap between early-stage support, equity financing and concessional/commercial debt needed to transition to modern, clean cooking at scale.

Expected Results

Main Objective (Impact)
Reduce climate change impact in Tanzania by increasing the share of the population with access to sustainable cooking solutions.

Specific Objective (Outcome)
Increase usage of modern and clean cooking solutions in urban areas for improved environment and inclusive wellbeing of the population.

Outputs
CookFund for accelerated market roll-out of clean cooking solutions in place and operational.

Key Implementors

MINISTRY OF ENERGY
Impact Capital for Development
Funded by the European Union
Programme Scope

Beneficiaries
Impact oriented commercially active enterprises and companies working and/or providing clean cooking solutions to households in urban areas of five regions in Tanzania Mainland, namely Dar es Salaam, Pwani, Morogoro, Dodoma and Mwanza.

Innovators and suppliers of end user payment modalities for clean cooking solutions are also considered.

Indirectly, the CookFund targets end users of clean cooking technologies. Special attention will be given to enterprises benefiting women, youth and other disadvantaged individuals.

Targeted Clean Cooking Solutions
- Liquified Petroleum Gas (LPG),
- Liquified Natural Gas (LNG),
- Bioethanol,
- Electric Cookers,
- Briquettes, and
- Improved Charcoal Stoves (only energy efficient charcoal stoves).

CookFund places a strong emphasis on the provision of high-quality sustainable clean cooking services that integrate the clean cooking technologies (CCT) and sustainable fuels.

Development Impacts

- 295 SME Suppliers to be technically and financially supported
- ~ 23,000 ha of forest/trees to be saved
- >185,000 MT of charcoal to be avoided
- 12,500 jobs to be created directly & indirectly
- 580,000 households end-user impacted

Geography
Funding

- Uses of funds: Grants mainly focus in addressing enterprises/companies’ under-capitalizations and end-user affordability.
- Total grant fund: €14 million will be utilized by UNCDF and the remaining €3 million will be used by UNIDO for bioethanol program in Dar es Salaam only.
- Size of individual awards: €10,000 – €300,000.00
- Matching Contribution: 25% - 50% of the total project cost for the planned new business line or expansion.

Selection Process

Proposal submission stage
Organizations will be competitively screened and shortlisted based on the quality of the proposal, eligibility, and selection criteria.

Verfication & Validation stage
Will be to verify businesses operations and validate proposed business ideas. Chosen candidates will then be appraised and funded by the programme.

Funding Categories

Category I:
A combination of investment/working capital growth grant and of performance-based subsidy.

Category II:
The same as Category I above but specifically focusing on digital innovation in reaching out more end users i.e PAYGO.

Contracting and Monitoring

Successful applicants will sign volume-based Service Level Agreement (SLA) with UNCDF with the first disbursement done upon contract signing and the second after achievement of agreed sales volumes. Only new sales to eligible end users will be included and counted, after verification by UNCDF and/or an independent verifier.
The CookFund Programme is open to enterprises and companies that meet the following criteria:

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<th>Non-Financial criteria</th>
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<td>• Legally registered and operating in Tanzania.</td>
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<td>• Adherence to geographical scope (Dar es Salaam, Mwanza, Dodoma, Morogoro and Pwani)</td>
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<td>• Present a well-developed business plan.</td>
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<td>• Have sufficient market experience (1 year minimum), managerial and technical</td>
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<td>competence and expertise.</td>
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<td>• Be capable and ready to track end user sales data.</td>
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<th>Financial criteria</th>
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<td>• Capacity of matching 25% of investment funds requested.</td>
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<td>• Present 1 year audited financial statements or commit to submit financial statements</td>
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<td>within 6 months of operations.</td>
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<td>• Must be capable of setting up a separate bank account for receiving the Cook-</td>
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<td>Fund grant and keep proper books of accounts.</td>
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<th>Compliance criteria</th>
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<td>• Compliance to national laws, regulations and best practices including Tanzania</td>
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<td>Revenue Authority, BRELA, environmental, Social and Human rights principles.</td>
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<td>• Consideration for gender mainstreaming.</td>
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How to Apply

All submissions are done by completing the special Application Form to be downloaded from UNCDF procurement platform and CookFund webpage. Applications will be advertised over the course of the programme duration through newspapers, UNCDF website and social media platforms. Links to the applications will be shared.

The application form must be submitted in its original format (Word) along with any supporting documentation to the following email address: cookfund.tz@uncdf.org.

For further information and/or questions, please contact:
UNCDF Tanzania,
Email: cookfund.tz@uncdf.org
Tel: +255 22 260 0911
UNCDF has been present in Tanzania since 1982, promoting local economic development and financial inclusion, and enhancing local government alternative sources of funds to finance infrastructure.

Our niche is designing and implementing solutions that galvanise local markets. We develop innovative blended finance mechanisms and provide tailored technical support to capitalize economic development.

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<th>Financial &amp; Business Advisory</th>
<th>Including project origination, structuring, due diligence and development of new innovative financial vehicles</th>
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<td>Capital Deployment of UNCDF’s own financing instruments includes grants, concessional loans and guarantees.</td>
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<td>Capital Catalyzation to leverage concessional resources to mobilize finance.</td>
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<td>Technical assistance to pilot and scale up innovative financing solutions</td>
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<td>Capacity development for MSMEs to enhance business performance and for government actors.</td>
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<td>Policy advice, advocacy, thought leadership in support of policy and regulatory reforms.</td>
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<td>Market analysis and scoping to identify SDG investment opportunities and barriers.</td>
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