

LETTER OF INVITATION

First MCFA Call for Proposals (MCFA1) Pre-Qualification

Programme: Modern Cooking Facility for Africa (MCFA)

Countries: Democratic Republic of the Congo (DRC), Kenya, Mozambique, Tanzania, Zambia and Zimbabwe

Sector: Access to modern and affordable clean cooking services

Funding sources: Sweden and the European Union

Type of contract: Results-based financing contract

Launch date: 20 April 2022 at 16:00 Helsinki Time (UTC +3 hrs)

Closing time: 21 June 2022 at 12:00 Helsinki Time (UTC +3 hrs)

Background

The Modern Cooking Facility for Africa (MCFA) is a results-based funding programme established to incentivise privately owned cooking service companies to provide Tier 4-5 clean cooking services in urban and peri-urban areas in Sub-Saharan African countries. MCFA supports, in particular, the objective of Sustainable Development Goal 7, which aims to ensure access to affordable, reliable, sustainable, modern energy for all by 2030, the Paris Agreement on climate change and host country priorities.

The MCFA programme is set up as a separate funding facility, administered by the Nordic Environment Finance Corporation (Nefco) as the Facility Manager. The MCFA programme has been designed in partnership between Sweden, through the Swedish International Development Agency (Sida), and Nefco.

MCFA is now launching its first call for proposals (MCFA1) inviting interested private companies selling modern cooking solutions, so-called cooking service providers (CSPs), to compete for funding with the aim of engaging them to develop new sustainable businesses and thereby accelerate access to affordable clean cooking services at scale for customers in urban and peri-urban areas of the Democratic Republic of the Congo (DRC), Kenya, Mozambique, Tanzania, Zambia and Zimbabwe (the project countries).

MCFA1 has been initiated and is currently financed by Sweden. It is expected that the EU will shortly join the programme and make available additional funding under the MCFA1 Country Programme in Zambia.

Eligible Applicants

MCFA1 is targeted at incentivising private clean cooking technology companies to accelerate access to modern and affordable cooking solutions.

Further information on the Pre-Qualification eligibility criteria and minimum requirements can be found in the attached MCFA1 Pre-Qualification Guidelines.

Nature of financing

The MCFA approach combines direct results-based financing with up-front, non-reimbursable catalytic grant financing to CSPs to unlock early structural challenges in the market, build business and investor confidence and proactively mobilise various types of downstream investment and debt financing. MCFA financing is complemented by selective technical assistance offered to support CSPs to develop key aspects of their businesses.

To be successful, Applicants are expected to provide their own financing as well as to mobilise additional co-financing.

Expectations

The expectation is that 420,000-840,000 clean cooking services (CSS) will be established during the project implementation period, thus benefiting over 3 million people in urban and peri-urban areas of the project countries. The indicative individual contract ticket size is expected to be EUR 0.7-2 million, depending on the country, with the exception of Zambia, where the maximum indicative ticket size is EUR 3 million.

Selection process

Applicants and project proposals will be evaluated in two phases:

- I. the Pre-Qualification stage (this phase) and
- II. the Final Application stage.

The current invitation calls for Pre-Qualification applications. Only Applicants of project proposals passing the Pre-Qualification stage will be invited to submit a full application during the Final Application stage.

Final decisions on financing are expected to be made by January 2023.

Pre-Qualification stage

The MCFA1 Pre-Qualification Guidelines outline the MCFA1 funding opportunities as well as the eligibility criteria and minimum requirements that Applicants and proposed projects need to meet in order to be invited to submit a full proposal and compete for MCFA1 funding.

Pre-Qualification applications should be submitted online at the latest by **21 June 2022 at 12:00 Helsinki Time** (UTC+3 hrs; Closing time). The online intake system and related guidance will be accessible via www.moderncooking.africa from 20 April 2022 and the application forms in the online system will be open from 16:00 Helsinki Time (UTC+3 hrs).

All documentation submitted for the Pre-Qualification stage should be provided in English and all financial information shall be denominated in EUR. Submitted Pre-Qualification applications will be considered to be in their final form.

The online application intake system will be closed after the Closing time. Only online submissions are permitted, and any submissions using other methods or submitted or received after the Closing time will be rejected. However, Nefco, reserves the right to extend the submission deadline.

It is the responsibility of the Applicant to ensure that the Pre-Qualification application complies with the eligibility criteria and minimum requirements and is submitted by the set deadline.

Registration and additional information

All communication relating to the Pre-Qualification process will be made to Applicants via the online application intake system, SmartME. It is strongly recommended that Applicants wishing to submit project proposals for pre-qualification register on this application platform at the earliest opportunity.

Registration is done by filling in the name of the Applicant, type and place of the project proposal, contact person and contact e-mail address.

Questions relating to the Pre-Qualification phase can be submitted until **18 May 2022 at 12:00 Helsinki Time** (UTC+3 hrs) as set out in the application intake system. Applicants will be requested to post questions only via the SmartME intake system. Questions and answers will be made available to all Applicants in a redacted form on 27 May 2022.

The Pre-Qualification stage is expected to be completed by the end of August 2022.

Final Application stage

Applicants successfully passing the Pre-Qualification stage will be invited to submit a full proposal tentatively by November 2022. Guidelines for the Final Application stage are scheduled to be published in September 2022.

A contract template will be made available at the Final Application stage and used as the basis for the negotiations. Applicants are kindly requested to note that only minor deviations from the template can be made.

Applicants will be duly informed of their progress and the final results of the MCFA1 will be communicated to the Applicants.

Reservation

The Pre-Qualification Guidelines do not constitute an offer. All contracts are subject to a successful due diligence review and individual prior no-objection from the donor(s).

Nefco reserves the right to adjust and/or further supplement the Pre-Qualification eligibility criteria, and minimum requirements, as well as any other guidance related to MCFA1, provided here, in the Pre-Qualification Guidelines or otherwise. In case of possible changes, Applicants will be informed in a timely manner before the expiry of application deadlines.

Any substantial changes to or non-substantiation of information included in the full application submitted during the Final Application stage compared with the Pre-Qualification application may lead to rejection of the full application.

Helsinki, 20 April 2022

Attachment: MCFA1 Pre-Qualification Guidelines