



Clean Cooking Investment Forum 2018

#CCIF18

Accelerating Investment in the Clean Cooking Sector

5-6 Nov 2018 | Kigali Convention Centre | Kigali, Rwanda

Post-Event Report



Organisers:



Supporters:



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In Brief:

The Clean Cooking Investment Forum (CCIF) 2018 offered two days of high-quality content and networking. In addition, a stove and fuel exhibition allowed 20 companies and other sector organizations to demonstrate their products and approaches. The CCIF attracted over 250 participants from more than 40 countries and facilitated 208 one-on-one meetings held during a matchmaking session between companies, investors, donors, consultants, and other market participants. 99 percent of CCIF participants that evaluated the event indicated they would consider joining a similar forum in the future.

Key takeaways from the event include:

- There is a clear sector evolution toward high-impact clean cooking solutions delivered by companies deploying high-growth, scalable, and investible business models which utilize industrial production and distribution at scale.
- Business models highlighted during the CCIF include industrially-produced biomass stoves (natural draft and fan-based); manufactured biomass fuels such as briquettes and pellets; industrially-produced biogas systems; innovative ethanol distribution models; and pay-as-you-go (PAYG) liquified petroleum gas (LPG) solutions.
- With regard to impact, these business models offer greater benefits, including significant health gains, and greater environmental impact compared to marginally-improved cooking solutions.
- Long-term planning and conducive policy frameworks are still weak in many jurisdictions. A transparent and long-term policy framework would further support market growth, particularly the growth of scalable businesses.
- The clean cooking sector remains under-resourced due to the lack of attractive investor exit strategies and models that quickly target the bottom of the pyramid before ensuring a strong foundation in the form of a profitable business model and track record.
- The path to scale for companies requires the investment of patient public and private commercial and concessional capital, together with further de-risking through technical assistance and grants.
- It is critical for companies to scale at the right time and seek appropriate capital for their stage of development and needs. Entrepreneurs should adapt their value proposition to their audience (e.g. investor vs. customer) and seek out advisory services that align with, rather than distract from, their strategy.
- ‘Company leadership’ and ‘customer satisfaction’ are at the top of the list of criteria that investors evaluate.

Day 1: November 5, 2018



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Official opening of Rwanda Sustainable Energy Week 2018

TIME: 09:00 – 10:00

DESCRIPTION: Introductory remarks by the co-organizers of CCIF 2018 and the guests of honor.

PARTICIPANTS:

- **Nicola Bellomo**, the European Union Delegation to Rwanda
- **Amb. Claver Gatete**, Ministry of Infrastructure in Rwanda
- **Dymphna van der Lans**, Clean Cooking Alliance
- **Frédérique de Man**, The Netherlands Embassy to Rwanda
- **Ivan Twagirashema**, Energy Private Developers Rwanda

TOP TAKEAWAYS:

- It is critical for governments and the private sector to work in collaboration.
- The urgency of providing clean cooking solutions to almost half the planet's population that lack them is ever daunting especially as progress is being outpaced with population growth. Collaboration of all concerted efforts is needed and no single technology or single cook stove or single business model will be the only solution.
- Rwanda's government is committed to advance this sector through i) promoting LPG in urban and peri-urban jurisdictions, ii) promoting improved cook stoves in rural areas; iii) sustainable forestry management. Rwanda's national target is to reduce dependency on traditional biomass to 42% by 2024 and 30% by 2030 from a current baseline of 83%.

TOP QUOTES:

"It is important that governments and private sector develop clean cooking markets as a matter of urgency [...] The Government of Rwanda is committed to create an enabling environment."

- Amb. Claver Gatete, Minister of Infrastructure in Rwanda

"Clean cooking solutions make common sense, but they also need to make business sense."

- Frederique de Man, Netherlands Ambassador to Rwanda

"Development cannot happen in isolation. We can't achieve our goals in isolation."

- Nicola Bellomo, EU Delegation Ambassador to Rwanda



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Innovative approaches for governments to build the clean cooking sector: Policy objectives, incentives, and constraints

TIME: 10:30 – 11:45

DESCRIPTION: A panel discussion about the policy perspective, followed by Q&A.

PARTICIPANTS:

- **Daniel Wanjohi (Moderator)**, Clean Cooking Alliance
- **Jechoniah Kitala**, Practical Action Kenya
- **Anicet Munyehirwe**, Inclusive Business and Consultancy
- **Robert Nyamvumba**, Ministry of Infrastructure in Rwanda
- **Geoffrey Ssebugwawo**, Private Sector Foundation Uganda
- **Lucy Ssendi**, President's Office of Regional and Local Government Tanzania
- **Yimeslal Tefera**, Ministry of Environment, Forest and Climate Change in Ethiopia

TOP TAKEAWAYS:

- Many countries have set ambitious targets for reducing their dependency on biomass. However, to achieve these targets, there must be stronger coordination between the public and private sectors.
- The private sector is bound to engage when the market conditions are right with a conducive enabling environment.
- Local production of clean cooking technologies may be desired, but it does not always make business sense.
- Three developments are crucial to attract private sector investment: (a) development partners and governments must create the awareness of clean cooking solutions that will lead to behavior change; (b) instruments must be developed to support end-user financing; and (c) last-mile distribution must be strengthened, supported by development partners and the private sector.

TOP QUOTES:

“Clean cooking in Kenya has largely been driven by the private sector, initially with a focus on imported technologies. But local manufacturing is starting to take place; there is a new vibrancy in the sector.”

- Jechoniah Kitala, Practical Action (Kenya)

“Sometimes governments don't always hear both the consumer and producer perspectives directly. Artisans don't always get a lot of support, although they are ready and willing to learn. Their capacity should be built up as well.”

- Anicet Munyehirwe, Inclusive Business and Consultancy (Rwanda)

“The Government of Ethiopia views this market as one with a high potential for job creation.”

- Yimeslal Tefera, Ministry of Environment, Forest and Climate Change (Ethiopia)



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Zooming in on Rwanda's clean cooking sector

TIME: 11:45 – 12:15

DESCRIPTION: A panel discussion dedicated to Rwanda's clean cooking sector, followed by Q&A.

PARTICIPANTS:

- **Monojeet Pal (Moderator)**, African Development Bank
- **Peace Kaliisa**, Ministry of Infrastructure Rwanda
- **Eric Naivasha**, Equity Bank
- **Claire Nelson**, Power Africa
- **Hubert Ruzibiza**, FONERWA (Rwanda Green Fund)
- **Ivan Twagirashema**, Energy Private Developers Rwanda

TOP TAKEAWAYS:

- Despite ongoing efforts, policy and regulatory frameworks are still weak.
- It is important to understand the market before promoting private sector investment. LPG has potential in the urban and peri-urban areas, while in the rural areas the focus could be on improved cookstoves.
- Support is needed across the clean cooking supply chain, implying a need for different types of financing solutions at different stages.

TOP QUOTES:

“The clean cooking sector is becoming dynamic and it is expected that there will be new entrants. There is the need for clean cooking stakeholders to work together and avoid duplication of activities.”

- Claire Nelson, Power Africa

“It's necessary to model a financial product that ensures repayment does not subject households to pay more than their capacity can handle; repayment should be aligned with their day-to-day expenditure to manage the financial risks.”

- Eric Naivasha, Equity Bank



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Building a scalable business delivering clean cooking solutions: Challenges and opportunities

TIME: 13:15 – 15:00

DESCRIPTION: A panel discussion about the business perspective, followed by Q&A.

PARTICIPANTS:

- **Richenda van Leeuwen (Moderator)**, Global LPG Partnership
- **Yves Legrux**, Société Pétrolière Rwanda
- **Anne Osinga**, Mimi Moto
- **Sebastian Rodriguez**, KopaGas
- **Peter Scott**, Burn Manufacturing
- **David Small**, Envirofit

TOP TAKEAWAYS:

- Companies have had very mixed experiences in attracting national (vs. international) sources of capital.
- One challenging aspect of the clean cooking sector is the need to meet investors' expected return while also serving base-of-the-pyramid ("BoP") consumers, or close to the BoP. This necessitates patient capital.
- Fuels traditionally seen as "dirty" can now be made sustainably; the issue at stake is whether the technology for burning that fuel is clean or not.

TOP QUOTES:

"In some ways, clean cooking companies need to apologize because we really haven't been ready for investment... The news for investors is that the sector really is ready to scale."

- Peter Scott, Burn Manufacturing

"Finance is a barrier but, today, our biggest cost is the [high] cost of capital [for infrastructure investments]."

- Yves Legrux, Société Pétrolière Rwanda



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Unlocking international and local investment capital: Guidance for businesses and governments

TIME: 15:30 – 17:00

DESCRIPTION: A panel discussion about the investor perspective, followed by Q&A.

PARTICIPANTS:

- **Jeannetta Craigwell-Graham (Moderator)**, Africa-EU Renewable Energy Cooperation Programme Finance Catalyst
- **Louis Boorstin**, Osprey Foundation
- **Leslie Labruto**, Acumen
- **Brian O'Hanlon**, Overseas Private Investment Corporation (OPIC)
- **Paras Patel**, Energy Access Ventures (EAV)

TOP TAKEAWAYS:

- Investors need to see exit strategies so that they can realize their investment returns.
- Companies need to be thoughtful about when they scale and avoid the trap of seeking capital of any type without thinking about whether it is the right type at the right time.
- Companies need to know their consumers very well to make a convincing business case.
- Companies are more likely to be successful in attracting investment if they maintain historical financial records and apply to relevant investors interested in the sector.
- Companies should not underestimate the impact of selling shares of their company to investors that would later have decision-making rights regarding the business.

TOP QUOTES:

“Companies need to be thinking about the end point from day one. This will allow them to focus on what is their DNA, what are they going to be bought for, and how do they ensure that they create the most value at exit in the particular part of the value chain the company is trying to solve.”

- Paras Patel, Energy Access Ventures (EAV)

“There is a real chance for renewal in the clean cooking sector and that’s why this room has investors in it. There is absolutely a reason for optimism.”

- Leslie Labruto, Acumen

“Money flows not necessarily to the best investment, but to the investment that can make the best case.”

- Brian O'Hanlon, Overseas Private Investment Corporation (OPIC)



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Day 2: November 6, 2018



Bringing clean cooking to displaced populations

TIME: 07:30 – 08:30

DESCRIPTION: A presentation about the humanitarian perspective, followed by a moderated group discussion.

PARTICIPANTS:

- **Kathleen Callaghy (Moderator)**, Clean Cooking Alliance
- **Laura Patel (Presenter)**, Energy 4 Impact
- **Krista Riddley (Moderator)**, Clean Cooking Alliance

TOP TAKEAWAYS:

- While non-profit organizations and some donors are engaged in conversations around clean cooking in humanitarian settings, few investors or businesses are operating in this space.
- Nearly 85% of refugees and displaced people are cooking with biomass, but there are some efforts in Ethiopia, Niger and Rwanda where private sector solutions for clean cooking have been tried.
- Success depends on the contextual factors around particular displaced settings. Interventions can build off local and potentially regional markets, but are more likely to advance if creative, long-term financing is available, and if projects are designed to scale up, and involve the surrounding community households.

TOP QUOTES:

“Most displaced people go to cooking strategies such as undercooking or skipping meals, and selling food rations to buy cooking fuel. Women bear the greatest costs.”

- Laura Patel, Energy4Impact

“It is very important to involve the people who make the products and [those who] use the products themselves.”

- Judith Walker, Africa Clean Energy



Opening of Day 2: Recap and stage-setting

TIME: 08:30 – 08:45

DESCRIPTION: A summary of key messages from Day 1 and a preview of the program for Day 2.

PARTICIPANTS:

- **Jan Cloin**, Africa-EU Renewable Energy Cooperation Programme

TOP TAKEAWAY:

- CCIF has brought together all the different players needed to build a strong and sustainable sector. It is time to make the collaboration work.
- In the force-field between achieving impacts and return on investment, healthy competition promoting a mix of fuels and technologies is needed to bring clean cooking solutions to households.
- Investors need convincing on entry but also on a successful exit and volume is required before base-of-the-pyramid markets can become viable.

TOP QUOTE:

“All parties required to advance market development of clean cooking are present at this Investment Form; let’s join forces and create innovative partnerships to solve the clean cooking challenges that are facing sub-Saharan Africa.”

- Jan Cloin, Africa-EU Renewable Energy Cooperation Programme



Building a BoP clean cooking industry: Lessons learned from building the market with TA and grants

TIME: 08:45 – 10:00

DESCRIPTION: A presentation about the market developer perspective, followed by Q&A.

PARTICIPANTS:

- **Linda Boll (Moderator)**, Shell Corporation
- **Victor Ndiege**, Africa Enterprise Challenge Fund (AECF)
- **Madeleine Post-Legendre**, ENEA
- **Marcel Raats**, Energising Development (EnDev)
- **Carlo Figa Talamanca**, OTAGO
- **Lauri Tuomaala**, Energy and Environment Partnership (EEP)

TOP TAKEAWAYS:

- Grants and working capital should come with a call to action on research, innovation, and development to grow business models and products.
- Market-based financing models have emerged and there is wealth of learning that can be tapped into to grow the sector.
- Technical advice to companies should not only be about telling companies what needs to be done, but also how it can be done. This should be linked with conducting due diligence and providing both qualitative and analytical support so that enterprises package their business models from the view of profitability. Investors are ready to engage the sector to ensure their support is strategic.
- Development actors are also considering changing their implementation models on engaging with artisanal markets. It is important to cherry-pick artisanal companies that have the potential to scale, and to support them in mechanizing their production processes. However, these companies are unable to attract the necessary financing for growth because of relatively low financial needs, high transactions costs and high collateral requirements.

TOP QUOTES:

“We sometimes have a mismatch between the development impact - where donors are coming from - and business needs.”

- Linda Boll, Shell Corporation

“Donors need to consider not asking companies to deliver impact that is not their day-to-day focus, and let companies do what they do best.”

-Marcel Raats, Energising Development (EnDev)

“Businesses need capital to thrive. Supported businesses have failed in the past due to delayed technical support that should be accompanied by working capital.”

- Victor Ndiege, Africa Enterprise Challenge Fund



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The road to investment: Stories from the region

TIME: 10:00 – 11:15

DESCRIPTION: Brief presentations by pioneering businesses in East Africa, followed by Q&A.

PARTICIPANTS:

- **Kwesi Sarpong (Moderator)**, Clean Cooking Alliance
- **Sanne Castro**, SimGas
- **Amaury Fastenakels**, BBOX
- **Greg Murray**, KOKO Networks
- **Eric Reynolds**, Inyenyeri

TOP TAKEAWAYS:

- There is a diversity of business models with different fuel types that show promising opportunities.
- These are significant challenges that will require not only debt and equity capital, but also public-private partnerships and innovative financing models.
- Knowing your customer is critical.

TOP QUOTES:

“Sometimes I get concerned that the folks in the development sector miss the point which is to solve the problem for the customer at the lowest possible cost.”

- Greg Murray, KOKO Networks

“We need more investment in the clean cooking sector to reach our goals. We need billions, not millions, because we need to address hundreds of millions of households to get there.”

- Sanne Castro, SimGas



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Results-based financing and other innovative financing structures to grow the clean cooking sector

TIME: 11:45 – 13:00

DESCRIPTION: A panel discussion about innovative financing for the clean cooking sector, followed by Q&A.

PARTICIPANTS:

- **Martijn Veen (Moderator)**, SNV
- **Jeroen Blum**, BIX Capital
- **Zijun Li**, World Bank Ci-Dev
- **Eric Naivasha**, Equity Bank
- **Josh Sebastian**, SNV
- **Judith Walker**, African Clean Energy

TOP TAKEAWAYS:

- Results-based financing (RBF) can be a powerful tool when it is leveraged with upfront capital/pre-financing.
- RBF will not be useful if it is just to be used for companies to pay for things in a narrow way. It is more catalytic in helping a company achieve impacts and value those impacts.
- RBF providers want to see companies that can demonstrate a financially viable model and a market exit strategy.
- BoP markets are possible to reach with RBF, but it's important to have healthy companies that are financially viable across the board. Time is also a crucial element, because BoP markets will not yield rapid results.

TOP QUOTES:

“Results-based financing is a powerful tool if you think about the journey that a company goes through. Where your company has the ability to scale but hasn't reached commercial capital, that's where RBF fits in.

- Zijun Li, World Bank Ci-Dev

“RBF has an ending point because it has a result. If you think about the impact that comes down the line and you monetize it, it incentivizes a lot of things like data collection and M&E. It makes a company truly care about the consumers, maintenance, after-sales, and long-term goals.

- Judith Walker, Africa Clean Energy



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Concluding remarks

TIME: 13:00 – 13:15

DESCRIPTION: Final remarks and wrap-up by the organizers.

PARTICIPANTS:

- **Peter George**, Clean Cooking Alliance
- **Sanday Kabarebe**, Energy Private Developers Rwanda

TOP TAKEAWAYS:

- Clean Cooking solutions must meet customer needs so that adoption is sustained; this is critical for investment and impact.
- Market support programs should be responsive to company needs, and companies should focus on using grants and TA – not to subsidize their business or to survive – but rather to grow. At the same time, grant-makers should ensure that companies they support are able to do this.
- CCIF 2018 is the first in a series of private sector and investment-oriented dialogues that the Alliance will facilitate with partners over the next year.
- Rwanda has been and is still open to business. Energy Private Developers Rwanda remains committed to this sector, and encourages investments and partnerships.

TOP QUOTES:

“The beginning of progress towards clean cooking solutions in Rwanda has begun, which is important with so many deaths per year occurring among women and children from using wood and charcoal.”

- Sanday Kabarebe, Energy Private Developers Rwanda

“The Alliance is committed to the entire sector. We must be, because we care about inclusivity, and many high growth ventures that can scale will be simply unable to tap into the entire unserved market in the near term... While the majority of our support will be directed to high growth ventures, we will continue to collaborate closely with partners who play an important role supporting livelihoods enterprises.”

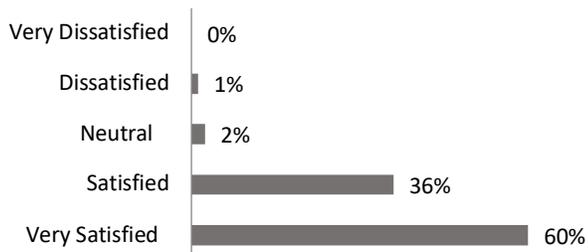
- Peter George, Clean Cooking Alliance



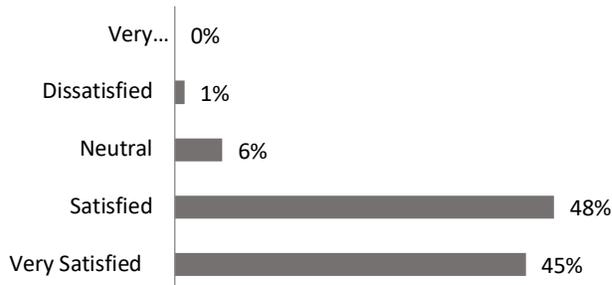
Event evaluation results

A total of 80 evaluation forms were completed representing about 30% of total participants in the event (~250 participants). This sample also represents about 60% of those who attended the B2B match-making session (138 participants).

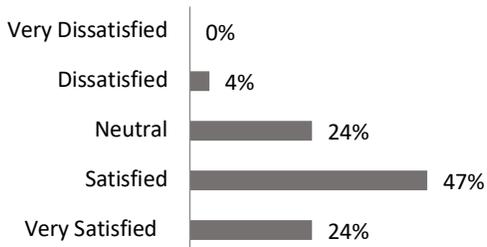
How happy are you with the overall quality of the event?



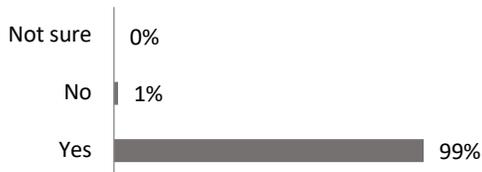
Value proposition satisfaction level



Quality of exhibition (space, access, etc)



Would you consider attending another Clean Cooking Investment Forum in the future?



Acknowledgements

The organizers (Clean Cooking Alliance and Energy Private Developers Rwanda) and their partners (Africa-EU Renewable Energy Cooperation Programme, Energising Development (EnDev) and SNV) are grateful for the financial contributions from the Government of The Netherlands, the European Union, as well as BFZ and the Rwanda Development Board, and the support of the Government of Rwanda, all of which made the Clean Cooking Investment Forum 2018 possible.

