

# CLEAN COOKING FUND ACCOMPLISHMENTS, OPPORTUNITIES AND CHALLENGES

CLIMATE ACTION SUMMIT ANNIVERSARY  
ENERGY TRANSITION COALITION INITIATIVES WEBINAR SERIES



Energy Sector Management Assistance Program



# CLEAN COOKING FUND OBJECTIVES



## CLEAN COOKING FUND



INVESTMENT

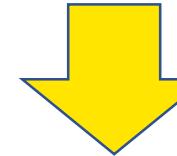


INNOVATION



IMPACT

- Leverage World Bank/Multilateral Development Banks finance and attract private-sector **investments** in the clean cooking sector.
- Catalyze technology and business **innovations** by providing incentives for players across clean-cooking value chains.
- Link incentive payments with verified results at the output, outcome, and **impact** levels.



US\$500 MILLION TO CATALYZE \$2 BILLION IN INVESTMENTS AND REACH 200 MILLION PEOPLE

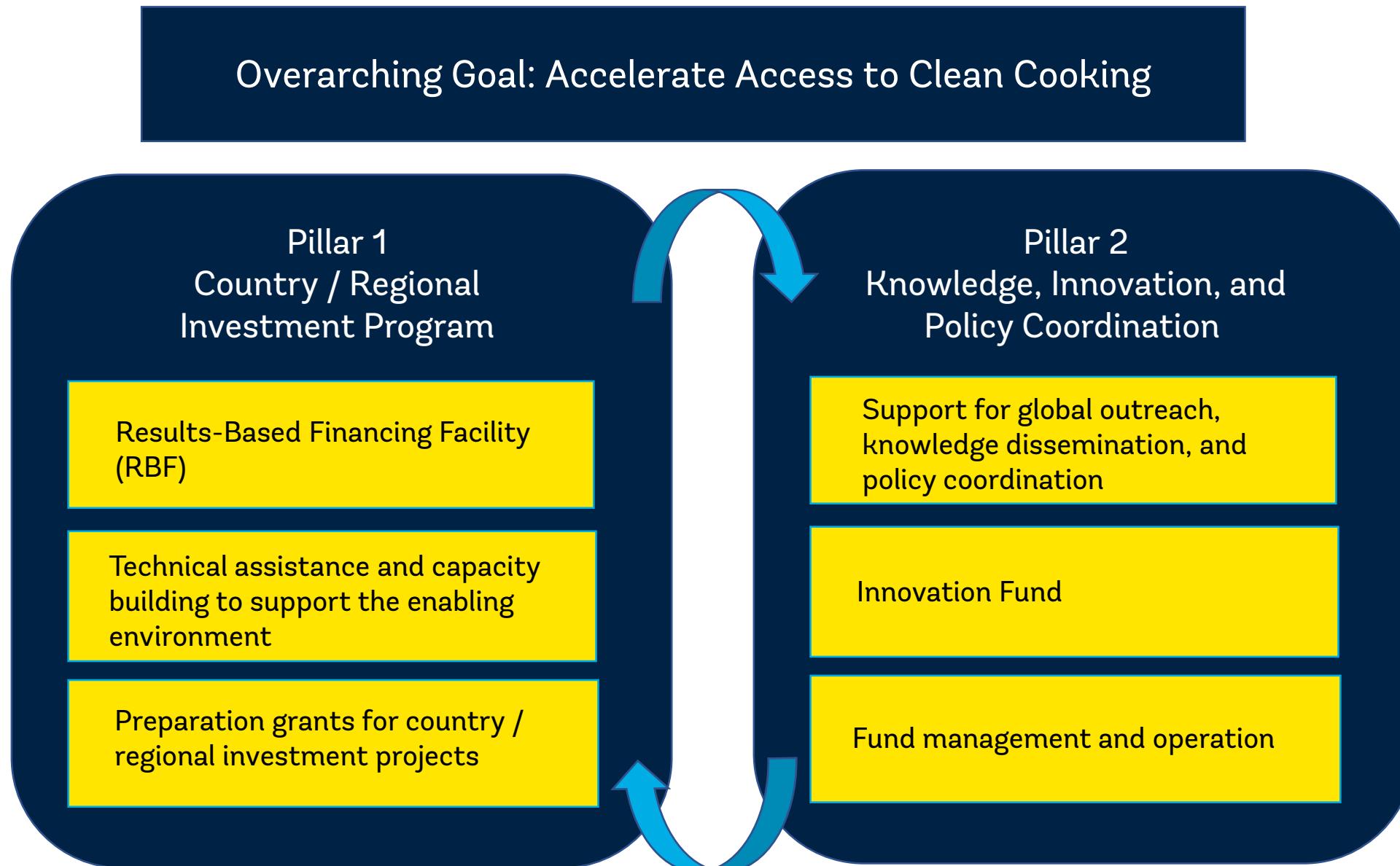
- Support a sizable stream of businesses along the supply chain delivering clean cooking solutions.
- Develop an impact bond market for the clean cooking sector to attract a broad range of funding.



REPLICATION AND SCALE-UP

Universal Access to Clean Cooking

# CLEAN COOKING FUND STRUCTURE



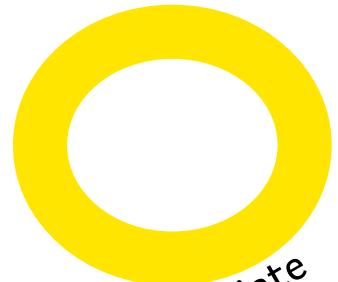
# SUPPORT MARKET DEVELOPMENT TOWARD LONG-TERM SUSTAINABILITY

## CLEAN COOKING FUND FUNCTIONS

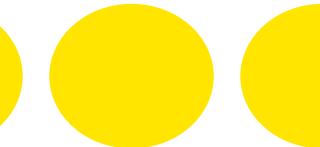
- Correct a temporary market failure by monetizing full co-benefits of clean cooking interventions not currently priced by the market.
- Subsidize market actors' costs to build customer awareness and market adoption.
- Develop evidence base and track record to crowd in new RBF buyers and future commercial financiers.
- Act as a revenue source to attract upfront private-investment funding for project developers.

### *NEARER-TERM...*

Donor subsidization



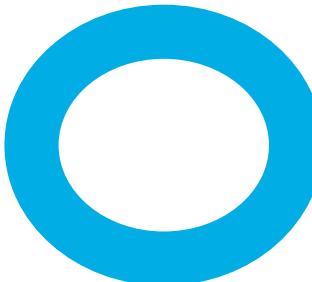
Addresses immediate financial bottlenecks to accelerate market adoption



Pilots provide proof of concept and evidence base for co-benefits monetization

### *MEDIUM-TERM...*

Government support



If continued payment support is needed, can transition to government funding

### *LONGER-TERM...*

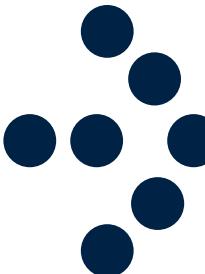
Self-sustaining market



Immediate financial bottlenecks have been unblocked

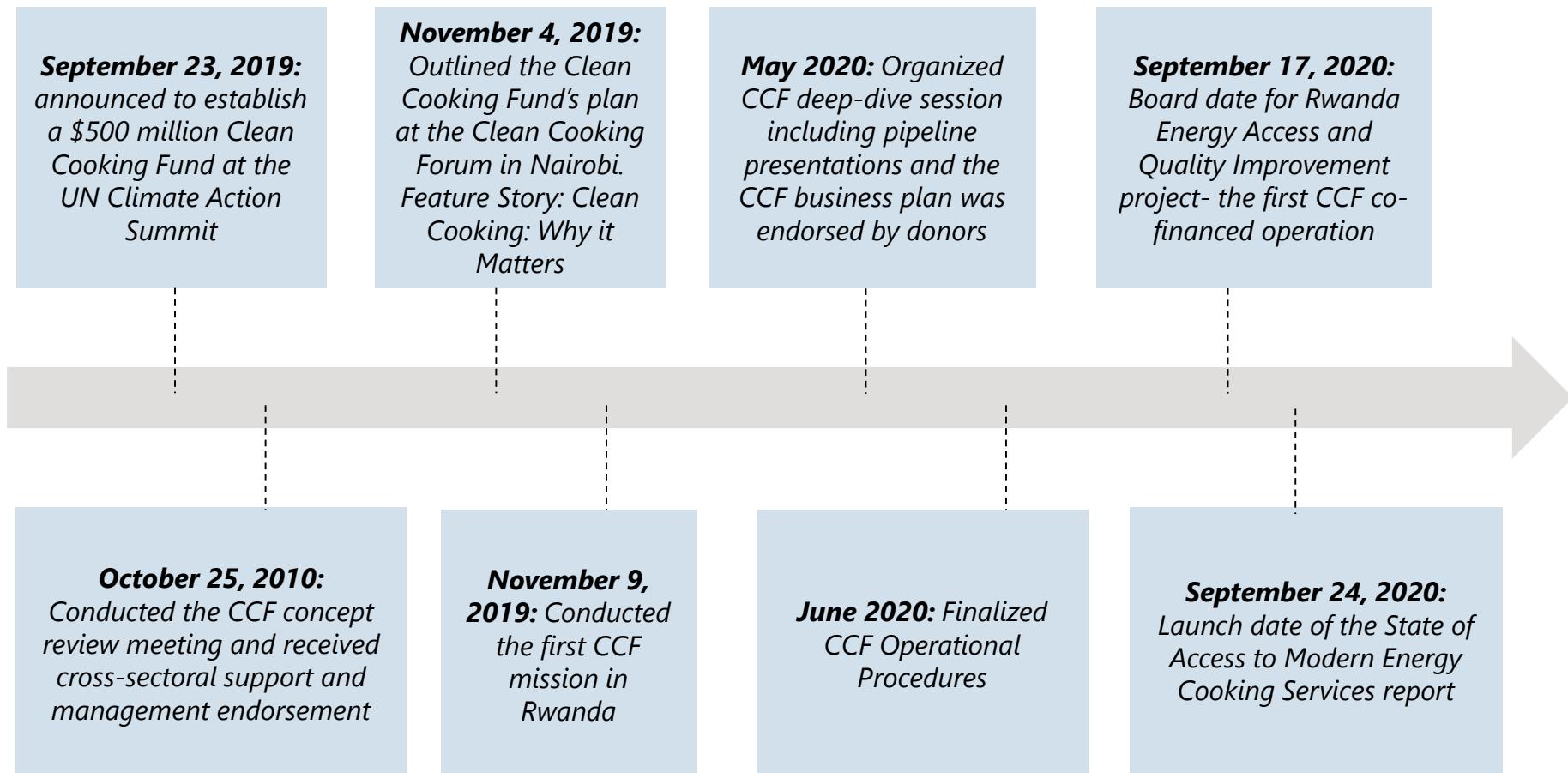


Value proposition has been clearly demonstrated to market actors



Viability of clean cooking business models attracts more private investment

# CCF ANNIVERSARY: KEY MILESTONES



# OPPORTUNITIES AND CHALLENGES

## ➤ Increasing policy prioritization at global and country levels

- Launching of the Health and Energy Platform of Action (HEPA), national targets/strategies in various countries, and an initial CCF pipeline (Rwanda, Burundi, Uganda, Ghana, Niger, Zambia, Nigeria, Nepal, and Myanmar).

## ➤ New and emerging technologies, business models, and financing mechanisms

- Enabling accessible and affordable solutions, including the leverage of successes in off-grid electrification, using high-efficiency electric cooking appliances, IoT, and pay-as-you-go technologies.

## ➤ Better understanding of household cooking energy needs and sector dynamics

- Launching of the State of Modern Energy Cooking Services report building on Multi-Tier Framework surveys in 17 countries, systematic review of literature, survey of hundreds of enterprises, and expert interviews.

## ➤ COVID19 Pandemic provides both challenges and opportunities

- Underlining the interlinkages of cooking, health, gender, environment, and climate and requiring the public sector to lead recovery and rebuilding in face of significant disruptions to businesses.



# INITIAL LESSONS LEARNED AND NEXT STEPS

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## Initial lessons learned

- The level of commitment and size of investment matter
- Need to formalize cooking energy demand in national energy planning and strategies
- Leverage the synergies with the off-grid sector
- Keep the RBF design flexible and adjustable

## Next Steps

- Mobilize funding to meet the CCF pipeline funding demand and leverage public and private financing
- Support CCF projects preparation and implementation to generate results on the ground
- Develop the impact bond market for clean cooking to attract more health, gender, and climate financing



# Thank You!