



RWANDA ENERGY ACCESS AND QUALITY IMPROVEMENT PROJECT

*Component 3b Increasing Access to Clean Cooking
Solutions Operations Manual* Ver 03/06.04.2022

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Acronyms

BRD	Development Bank of Rwanda
CC	Clean Cook Stove
CCC	Clean Cooking Companies
EDCL	Energy Development Corporation Limited
GESI	Gender and Social Inclusion
GoR	Government of Rwanda
IVA	Independent Verification Agent
MINECOFIN	Ministry of Finance and Economic Planning
MININFRA	Ministry of Infrastructure
MICC	Management Investment Credit Committee
OM	Operations Manual
CMIS	Cook stove Monitoring and Information System
PIU	Project Implementation Unit
RDB	Rwanda Development Board
RBF	Result-based Financing
REF	Renewable Energy Fund
REMA	Rwanda Environment Management Authority
SACCO	Saving and Credit Cooperative Society
SSA	Sub-Saharan Africa

A. RBF DESIGN

1 Introduction

The Government of Rwanda plans to partner with the private sector and facilitate a competition-based development of markets for clean-cooking products and technologies. MININFRA recently approved an ambitious new Biomass Energy Strategy (2019-2030) and an amendment to its NDC, with targets of reducing the percentage of households that use firewood for cooking from the baseline value of 79.9% in 2017 to 42% by 2024, and phasing-out the use of charcoal in urban areas. The clean cooking agenda has been recently moved to MININFRA and REG/EDCL have the mandate to implement it. The Rwanda Standards Board (RSB) is tasked with certifications and setting standards for cooking products and a testing lab is currently under development. In October 2019, MININFRA published the *Biomass Energy Strategy: A Sustainable Path to Clean Cooking 2019-2030*. In May 2020, the Government updated its Nationally Determined Contributions under the Paris Agreements which includes promoting the use of efficient cook stoves as a mitigation measure since cooking accounts for 14% of the GHG emissions from the energy sector. Implementation of the Biomass Energy Strategy will require substantial grant resources made available to the sector to address the affordability and awareness gaps as well as the unproven nature of many new technological solutions in Rwanda. Cash expenditure on cooking fuels remains rare in Rwanda outside the richest 10 percent of households as 97 percent of households use either firewood or charcoal, which means that the market for clean cooking solutions will require partial subsidies to become commercially viable.

Rwanda Energy Access and Quality Improvement Project (EAQIP) aims to increase access to clean cooking Solutions for 500,000 households. EAQIP's Component 3b of the will set up a clean cooking RBF window to partially subsidize purchases of clean and efficient cooking solutions by eligible households. The clean cooking RBF window will initially support Tier 2+ solutions, with the objective to gradually increase the minimum performance level requirements as affordable Tier 3+ solutions become widely available. The RBF window will support both urban and rural households. In urban areas, the focus of the clean cooking RBF will be to reduce and eventually phase out charcoal as a cooking fuel and replace it with Tier 3+ clean cooking solutions. In rural areas, the focus will be on reducing the reliance on firewood as a cooking fuel, by gradually introducing more efficient (Tier 2+) and clean cooking (Tier 3+) solutions. The two focus areas will contribute to the objectives of (i) phasing out charcoal use in urban areas; and (ii) reducing the reliance on firewood. The performance of eligible cooking technologies will need to be demonstrated through laboratory testing and/or field-based data. RBF incentives amount will be linked to the verified output, outcome, and impact level results; differentiated by cooking technology performance levels and consumer income categories (Ubudehe categories); and reviewed and adjusted periodically.

Component 3b will be co-financed by the Clean Cooking Fund (CCF) of the World Bank's Energy Sector Management Assistance Program (ESMAP). The total financing amount is US\$ 17 million for Results-based financing program and US\$ 3 million as technical assistance. Under Component 4,

technical assistance and training will be provided to local producers to improve the local product design and quality production. Innovation grants will be available (through a competitive process) to encourage innovative technological, business, and financing approaches with focus on meeting the poor households' cooking need and encouraging female entrepreneurs in the cooking sector. Awareness raising and behaviour change campaign will be conducted to stimulate demand and support sustainable adoption.

The main purpose of this operation manual is to provide the administrators/managers of the Clean Cooking (CC) - Results-Based Financing (RBF) Incentives Program (CC-RBF Program) on the overall context and specific operational procedures to implement the incentives program. This Operational Manual contains sets of operational procedures, steps and processes on how the Program is implemented and how the incentives using results-based financing are disbursed to qualified program participants. This document is divided into five parts: A) RBF Design, B) RBF Roles and Responsibilities, C) RBF Procedures, D) RBF Program Review, and E) List of Annexes.

2 Rationale for the RBF subsidy

Major drivers of households' lack of access include the lack of alternative solutions, low awareness, and unaffordability; but awareness raising, behaviour-change campaigns, and financing support for high-performing technologies that reduce fuel use can overcome these obstacles. Households in Rwanda have few available options for meeting their cooking needs, in terms of fuels and stove technologies. Self-built stoves and traditional charcoal stoves are commonly used. Efficient Cook Stoves account for only 13.5 percent of stoves nationwide. Clean fuel stoves, including liquefied petroleum gas (LPG) and biomass pellets, are used by about 1 percent of households, mostly in urban areas. Affordability underscores the choices households make, especially in rural areas, where households across all consumption quintiles rely on firewood as their primary fuel. About 76 percent of households spend an average of 7 hours per week acquiring fuel (either by collecting or purchasing it) and preparing it for their stoves, with a disproportionate burden on households using firewood. Women and girls disproportionately spend more time engaging in cooking-related activities and bear the burden of Drudgery. Households using charcoal tend to purchase it in small quantities at frequent intervals, especially if they are resource constrained. A majority of households in Ubudehe categories (socioeconomic classes) 1, 2, and 3 are dependent on firewood to meet their primary cooking needs.

Adapting to improved and modern cooking requires increased awareness, availability of affordable and diverse technological and financing solutions that fit the needs of diverse consumers, and financing support to fill affordability gaps. The RBF subsidy will help to address the affordability gap, provide cost-sharing to support the development of the market and bring in more efficient and improved stove technology and foster innovative business models that could expand the coverage for households. The expectation is that the RBF scheme will enable more households to afford clean cooking solutions and attract clean cooking technologies and service providers into the market.

3 International best practices

Results-Based Financing has been demonstrated as an effective approach to using public resources to incentivize the market and can be designed to fit the country context and market conditions. The World Bank has implemented the RBF framework to support Efficient, Clean Cooking and Heating (CCH) solutions in 10 client countries with variations based on country conditions (e.g., in Bangladesh, China, Indonesia, Kenya, Lao PDR, Mongolia, and Uganda). The results demonstrate that RBF is an effective instrument to incentivize private-sector investment and deliver ECCH solutions with pre-defined result levels and triggers for payment. The RBF framework can be used to unify key elements and interventions needed to achieve results. In addition, its flexibility allows for designing and adjusting the pre-defined results and associated incentives based on the country context, market conditions, and feedback from program implementation.

4 Domestic experience

Various development partners have plans to support aspects of the Biomass Energy Strategy: the GIZ/EnDev, SNV, EU, Enabel, Tony Blair Institute, Loughborough University, Clean Cooking Alliance, Global LPG Partnership, and AfDB. An EU-funded program to be implemented by GIZ/EnDev aims to increase the use of improved stoves through strengthening the value chains from production to usage.

As of July 2019, the GIZ/Endev clean cooking program was launched with a multi-donor structure and moving to multi-donor implementation. The program is scheduled to end in December 2022. The funding comes through EnDev, GiZ is coordinating the Rwanda project and the program will be implemented by SNV. The funding is for Euros 1million with a target of 100,000-120,000 beneficiaries. The program aims at strengthening the market capacity and improving demand. It includes all stove types – gasifiers and clay stoves. Another component will be on labelling, testing and the complementary procedures.

The EU delegation in Kigali won funding from the Green Clean Cooking Fund of Euros 5 million for 5 years with a target of disseminating 500,000 stoves. The program intends to create demand for stoves which can lead to a gradual increase in the production to about 250,000 stoves per year by the end of the 5-year period. The program will start early 2021 and aims to close the affordability gap. Thus, the criterion for a stove to be included is that it saves the households at least 40% of the fuel. The program will be implemented by GiZ. The other components are targeting productive uses, social institutions and fuel production. Additionally, EU is in discussion with MININFRA to include clean cooking in public schools. A proposed line of funding is Euros 10 million.

5 Guiding principles

The subsidy delivery process follows a set of principles guiding its actions. These principles are displayed in Figure 1. The principles are not specific procedures but will help in guiding the operations and decisions.

Cost sharing: The CC-RBF Window does not offer a hundred percent subsidy. It is believed that customer contribution supports market development. The possibility of market distortions due to hundred percent subsidy needs to be taken into consideration. It is important to learn from

experiences elsewhere that free distribution (100% subsidies) of improved Cook Stoves resulted in low adoption rates and subsidy leakages (reselling of products).

Program efficiency: Clean Cooking Companies (CCCs) will have some costs associated with the subsidy documentation and claim. Delays in subsidy disbursement can increase costs, which the CCCs may ultimately transfer to the customers. Therefore, the CC-RBF will aim to disburse subsidies in the shortest possible time. The CC-RBF aims to disburse subsidy within 30 working days from the date of claim submitted by the CCCs.

Figure 1: The guiding principles



Use of technology: The use of digital technology should aid the implementation of the RBF program. The CCCs can express their interest in CC-RBF participation by submitting an application package through the BRD website.. A CleanCooking Management Information system (CCMIS) and an Eligibility Tool (ET) will be developed and foster the implementation of CC-BRF and ensure that the right amount of subsidy is provided to the right households. However, the development of CCMIS and ET will take some time (approximately 1 year). The CC-RBF will be implemented in a manual-based approach until such tools are in place.

Transparency: The CC-RBF Operations Manual will be available on the BRD website. The list of eligible CCCs will also be provided on the BRD website. Lastly, BRD and EDCL will make the subsidy implementation progress report publicly available through their websites.

Quality control: All eligible clean cooking technologies need to be tested, evaluated, and certified by the stove testing lab under RSB based on the established performance criteria. Another form of

quality control is the verification and follow-up on the quality of after sales service, which will be conducted by EDCL.

GESI: The RBF subsidy program will prioritize Gender and Social Inclusion (GESI), in alignment with the Rwanda Gender Action Plan. It is expected that the participating CCCs will focus on GESI throughout the implementation of the subsidy program, taking into consideration the existing gender gaps related to affordability:

- Female- and male-headed households are nearly equally likely to use an improved Cook Stove, despite the higher stove price.
- Female-headed households are less willing to pay for a clean cooking technology than male-headed households are, especially at the full price.
- While willingness to pay (WTP) increases when a payment plan is offered, 25 percent of female-headed households will not pay for a Cook Stove under any given terms, compared with 19.3 percent of male-headed households.

The subsidy scheme implemented by participating CCCs, will consider the existing affordability gap between men and women in clean cooking, and will take into consideration what targeted incentives for women are needed. Additionally, the participating CCCs will include sensitive design/consultations for women, as part of the public awareness campaign and stakeholder consultations activities.

An impact study will be conducted, focusing on the subsidy impact on GESI.

6 Scope of CC-RBF Operations Manual

6.1 Targets

The key results for the CC-RBF Program focus on the number of households with access to clean cooking. The target is to ensure that 500,000 households gain access to clean cooking technology (of which 25% are supposed to be female-headed households) through the Clean Cooking Fund co-financed project. In addition, there is one other outcome indicator, two intermediate outcome indicators and one output indicator.

Table 1: CC-RBF Indicators

Indicator	Unit	End Target
Number of people who gained access to clean cooking resulting from the CCF co-financed project	Number	2.15 million (500,000 households)
Amount of private investment mobilized	USD	19,000,000
Share of female workers in enterprises financed by Component 3	%	10

6.2 Duration of the CC-RBF

The CC-RBF will accept applications once call for clean cooking companies is announced until September 2025. This RBF will end at the same time as the overall EAQIP program, which is

December 2026, or as soon as the fund has been depleted. CCCs must submit the last claim before September 2025.

6.3 Carbon RBF

The CC-RBF is expected to benefit from results-based payments through the purchase of emission reduction credits by the Carbon Initiative for Development (Ci-Dev), a World Bank-administered trust fund that makes payments based on avoided GHG emissions. The RBF from Ci-Dev would complement the output- and outcome-based payments being made for clean cooking solutions (delivering a robust set of resources available to the sector throughout the output-outcome-impact value chain). Ci-Dev carbon RBF funding is expected to be processed as Additional Financing for EAQIP later and will be used to help additional households (beyond the current EAQIP's target of 500,000 households) to access clean cooking solutions.

6.4 Eligibility criteria for households (beneficiaries)

The household eligibility criteria are listed below:

- The CC-RBF subsidy will be provided only to Ubudehe 1, 2, and 3 households. Ubudehe 3 households are eligible for CC-RBF subsidy to support households to access technologies that qualify under tier 3, 4 and tier 5 clean cooking technologies. Households eligible for Tier 2 stoves will be supported up to December 31, 2023, when it is expected that clean cooking companies of these solutions will have been supported to improve their technologies towards higher Tier solutions..
- The CC-RBF subsidy will only be provided to a household once.
- Each household is eligible for a double-burner, or two single burner cooking set up (given by the same CCCs at the sales dates).
- Households currently benefitting from other stove subsidy (i.e. grants that lowers end-user pricing) programs are not eligible for CC-RBF subsidy.
- Households already fully using a clean Cook stove without stacking (i.e. using a traditional stove) at the time of registration, are not eligible for the CC-RBF subsidy.

Currently, the households in Ubudehe 1 and Ubudehe 2 could be eligible to purchase LPG appliances. An extensive due diligence will be conducted by CCCs to ensure the impact and sustainability of LPG Cook appliances subsidy to Ubudehe 1 and Ubudehe 2 households is ensured. The due diligence will assess Ubudehe 1 and Ubudehe 2 households' willingness and capacity to pay for LPG fuel before these households are allowed to purchase the subsidized LPG appliances under this program.

6.5 Repossession

The CCC will have right to repossess the Cook stove deployed to the eligible household subject to the conditions stipulated in the Sales Contract signed between CCC and its customer. The CCC should report to EDCL the list of repossessed customers together with the Claim Form. The list must include name of the customer, national ID, customer's phone number, Ubudehe category, date of the clean Cook Stove sold, serial number of the Cook Stove, date of when the Cook Stove was repossessed, and the reason for repossession. A separate tab for repossessed customers will be

created in the Claim Form spreadsheet which can be downloaded from BRD website. The CCC should provide the entire updated list of repossessed customers in every Claim Form submitted to EDCL.

The sales contract signed between CCC and its customers will also include details of contacts of a number or hotline from EDCL to allow customers to report repossessions. Through the awareness campaign of the program, beneficiaries will be encouraged to complete payment of their contributions and to report repossessions by CCC where beneficiaries have failed to make their disbursements.

The desk check will verify whether the subsidy has been released to the repossessed customers. If the repossessed customers have received subsidy from the previous claim, the equivalent subsidy amount will be deducted from the current claim. These repossessed customers will be marked as ineligible for the payment of remaining subsidy (for example 2nd and 3rd milestone). The repossessed customers will be marked as permanently ineligible for another subsidized cook stove.

EDCL reserves the right not to process the claim of the CCCs if the list of repossessed customers is not submitted to EDCL together with the Claim Form.

6.6 Subsidy levels

The subsidies are expected to be fully passed on to final beneficiary households by the participating CCCs. The subsidy levels are progressive, depending on the Ubudehe level of the household. The lower the Ubudehe category, the higher the subsidy. Ubudehe 3 households are not eligible for Tier 2 cooking product subsidies. The subsidy level for each Ubudehe category will be the lower of the following two options: 1) a set maximum in absolute terms (in RWF), or 2) a set maximum in relative terms (in %). See Table 2 for more details:

Table 2: Subsidy levels per Ubudehe and Tier

Tier Rating ¹	Stove cost reference RWF	Ubudehe Category	Maximum Percentage Coverage of Cost (%)	Maximum Eligible RBF Amount RWF
Tier 5	70,000-100,000	1	90%	86,000
		2	70%	67,000
		3	45%	43,000
Tier 4	45,000-70,000	1	90%	60,000
		2	70%	47,000
		3	45%	30,000
Tier 3	30,000-45,000	1	90%	38,000
		2	70%	30,000
		3	45%	19,000
Tier 2	20,000-28,000	1	90%	24,000
		2	70%	19,000

¹ Tier rating will be determined by the stove testing lab under RSB based on the performance criteria on efficiency, emissions, durability, and safety.

For example, a CCC sold a customer in the Ubudehe 2 category for a Tier 4 stove that has an end-user price of RWF 70,000. The maximum percentage coverage of cost in this case is 70%. The relative maximum eligible RBF amount is $70,000 \times 70\% = \text{RWF } 49,000$, which is higher than the absolute maximum eligible RBF RWF 47,000. The lower amount will be selected and the customer will be eligible for the maximum RWF 47,000 RBF subsidy.

Conversely, if a CCC sold a customer in the Ubudehe 1 category for a Tier 3 stove with an initial end-user price of RWF 30,000, the customer will be eligible for a 90% subsidy, which is RWF 27,000 ($30,000 \times 90\% = \text{RWF } 27,000$) lower than the maximum absolute subsidy level of RWF 38,000 for Ubudehe 1. In this case, the relative subsidy level (%) applies and not absolute subsidy (RWF) since the former has a lower value.

Subsidy levels will be regularly reviewed to reflect market changes and to ensure sustainability of the program. The value of the subsidy paid per system may thus reduce over the life of the program, to a nominal level during the final period of the program. For customers already included in the CC-RBF program, subsidy levels at the time of sales registration will be honoured until the completion of the subsidy payment even if the subsidy levels for new customers changes over time.

6.7 Customer contribution

A large portion of the price will be paid for through the RBF subsidy, as summarized in Table 2. The remaining portion will be paid by the customer, as a customer contribution. The customer can pay in cash or PAYGO Instalments, depending on the terms of the customer's preferred CCC. The customer contribution is fundamental to creating ownership, empowering beneficiaries, promoting sustainability and motivating CCCs to provide after-sales service. For example, if an Ubudehe 1 customer purchases a Tier 3 stove with a price of RWF 45,000, CC-RBF provides RWF 40,500 subsidy and the customer will pay RWF 4,500 as customer contribution. The customer may pay in cash or pay in instalments if the PAYGO service is offered by the CCC.

The customers should pay their contribution only through a trackable payment system such as Mobile Money, cheque or bank transfer. In cases where the CCC is dealing with clients that do not own a telephone set, payments can be made on cash basis but the CCC should issue a receipt showing all the details of the sale for the stove including subsidy amounts among others to the client and keep a copy.

6.8 Disbursement schedule

6.8.1 Disbursement schedule for PAYGO/credit sales

The subsidy will be paid in 3 Instalments, in case of PAYGO or credit sales). 50% of the subsidy amount will be disbursed upon successful verification of CCC's sales report with user contact information. 40% of the subsidy amount will be disbursed after independent verification of stove usages, 3 months after the installation. The remaining 10% will be disbursed upon verified adequate customer service for 1 year and 100% customer contribution. The disbursement schedule is displayed in Table 3.

Table 3: Subsidy disbursement schedule for PAYGO/credit sales

Disbursement	Condition	Ubudehe I	Ubudehe II	Ubudehe III
1 st Instalment	Upon successful verification of CCC's sales/claim report with user contact information	50%	50%	50%
2 nd Instalment	Upon independent verification of stove usages, 3 months after the sale of the stove	40%	40%	40%
3 rd Instalment	Upon independent verification of stove usages, 1 year after the sale of the stove	10%	10%	10%
Total subsidy		100%	100%	100%

For example, if the price of a Tier 3 stove is RWF 45,000, a household in Ubudehe I will receive a subsidy of FRW RWF 40,500 (i.e. 90% of FRW 45,000 stove price). The CC-RBF program, after passed verification by Independent Verification Agent (IVA), will release RWF 20,250 (50% of RWF 40,500 total subsidy) as first Instalment. The CCC will receive another RWF 16,200 (40% of RWF 40,500 total subsidy) as second Instalment upon passed verification of stove uses, 3 months after the installation/sales of the stove. The remaining RWF 4,050 (10% of RWF 40,500 total subsidy) as third Instalment will be released after one year of the installation/sale of the stove, upon verified adequate customer service.

6.8.2 Disbursement schedule for cash sales

Subsidy will be paid in 2 Instalments in case of cash sales. 80% of the subsidy amount will be disbursed upon successful verification of CCC's sales report with user contact information, after sales. Remaining 20% of the subsidy amount will be disbursed after 1 year upon verified adequate customer service. The disbursement schedule for cash sales is displayed in Table 4.

Table 4: Subsidy disbursement schedule for cash sales

Disbursement	Condition	Ubudehe I	Ubudehe II	Ubudehe III
1 st Instalment	Upon successful verification of CCC's sales/claim report with user contact information	80%	80%	80%
2 nd Instalment	Upon verified adequate customer service, after 1 year	20%	20%	20%
Total subsidy		100%	100%	100%

The CCC, at the time of subsidy claim, will report to EDCL the amount of subsidy claimed under a. cash sales and b. PAYGO sales.

NB: In order to be eligible under cash sales, the CCC should collect one hundred percent of the customer contribution upon stove sale. The partial down payment will be considered as PAYGO/credit sales. The subsidy disbursement schedule will be reviewed regularly during

implementation and adjusted as needed. The first review will be scheduled 3 months after implementation.

6.9 CC RBF incremental cost coverage

To cater for the overhead of the CC-RBF program, BRD will charge the participating CCCs a fee of 4% of the total subsidy received plus 18% VAT to cover its incremental operating costs. For example, if the CCC (after the results from the verification report) is eligible for FRW 50 million subsidy disbursement, BRD will deduct total FRW 2.36 million (4% fee - FRW 2 million plus 18% VAT - FRW 0.36 million) and release FRW 47.64 million to the CCC.

The CCCs have two options: this fee will either be paid upfront by the companies to BRD or it will be deducted at the time of disbursement.

6.10 Capping-up of the subsidy per company

CCCs must specify, during the initial application, the projected utilization of the CC-RBF subsidy fund. BRD will appraise this amount. For each CCC accepted into the program, BRD will confirm the approved earmarked funds. The earmarking of funds per CCC will be initially capped up to FRW 500,000,000 (the cap will be reviewed regularly during implementation and adjusted as needed). Based on progress of the CCC over time, BRD may reduce the earmarked amount for the CCC or accept additional fund requests (noting that any review of additional funding requests will take into account the CCC's progress on already-earmarked funds). This review will take place every 6 months or as soon as the capped amount is expected to get fully utilized based on the initial claim(s).

Once an CCC has received the first Instalment subsidy payment for a given customer, the remaining subsidy for this particular customer will also be earmarked for the applicable customer (and thus CCC), unless it is confirmed that the customer is not going to continue paying its contribution. The CCC can pool back the remaining subsidy amount already earmarked for a particular customer into the main basket after a. the IVA found that the customer is ineligible for subsidy disbursement and b. the CCC formally writes off customer's remaining payment as bad debt. This earmarking will ensure the availability of funds that will be needed to complete the full subsidy payment for each customer.

6.11 End user pricing

The CC-RBF is primarily expected to cover the commercial viability gap for low-income households. Funds should thus be fully used to reduce end-user pricing and CCCs must present their new pricing scheme (compared to non-subsidized price) as part of the application process. The CCC must present a non-subsidized PAYGO price and also a non-subsidized cash sales price (if applicable) in its CC-RBF application. The subsidy amount should be deducted from the unsubsidized PAYGO or cash price, depending on their business model and the timing for subsidy disbursement.

The CCCs are required to report on their pre-subsidy price (if applicable), their subsidized price, the customer contribution and the means of customer contribution (i.e. cash or PAYGO Instalment) as

part of the regular reporting to EDCL and in the Claim Form for the CC-RBF subsidy scheme. The latter reporting format is provided in Annex 4.

6.12 Foreign exchange rate

The BRD will disburse subsidy to CCCs as per the disbursement schedule (Section 6.7). The subsidy disbursement will be in equivalent local currency (FRW). The BRD in consultation with the Government of Rwanda and the World Bank will regularly review the subsidy levels and maximum subsidy amount to be allocated to each CCC, every six months or as needed to reflect possible steep changes in the foreign exchange rate, to ensure that the USD value of the subsidy is adequately reflected in FRW. The value of the subsidy in FRW will be reflected in the Subsidiary Grant Agreement with the CCC at the time of its signing, and possible changes will be promptly communicated to the CCCs for their adoption. BRD will also document and keep track of possible change in the FRW subsidy values withing their accounting, monitoring and reporting duties to the World Bank, and will reflect these also in the Quarterly Progress Implementation Reports.

6.13 Eligibility criteria for CCCs

Participation shall be open to all interested CCCs that are able to satisfy the eligibility criteria (listed below). CCCs are defined as private institutions, either a business or an NGO, that play a leading role in the majority of the following activities: 1) identifying customers, 2) selling the cook stove to the customer, 3) Providing training / product awareness, 4) offering product warranty and after-sales service / customer care and, 5) providing credit to the customer, if applicable. All CCC business models are eligible.

The subsidy amount/percentage is based on whichever end-user price applies to the customer, as explained in Section 6.5. The CC-RBF does not differentiate between cook stoves/cooking technology that are provided to the customer as a cash sale, through a loan from a bank or micro-finance institution, as an integrated PAYGO model, or some other variant of these basic models.

That said, it is the responsibility of the CCC to ensure that the cook stove/cooking technology is bought and used by an eligible household since it is the CCC that will receive the subsidy.

Participating CCCs will be responsible for identifying and contacting customers as well as providing and maintaining the cook stove/cooking technology.

CCCs will be appraised according to the following eligibility criteria:

- **Licensed with adequate ownership structure:** Companies should have a valid domestic company registration at RDB and should be duly licensed with a tax identification number assigned by RRA. The company must be in full compliance with relevant national regulations pertaining to tax, legal and accounting norms. The owners and managers of the enterprise must be 'fit and proper'.
- **Agreement with EDCL:** Companies must have a valid Memorandum of Understanding (MOU) with EDCL.

- **Adequate funding:** Companies should have a defined funding strategy with no obvious gaps or constraints on additional funding. BRD will review the progress of the company in subsidy mobilization every 6 months after the signing the subsidy agreement. BRD will have right to cancel or revise the subsidy agreement if the company does not show any progress within 6 months after signing the subsidy agreement.
- **Satisfactory end-user pricing scheme:** Companies must demonstrate that the end-user will directly and fully benefit from the RBF subsidy.
- **Quality of operations:** Companies should have a sound business plan with proven resources to efficiently carry out operations at the functional level, including organization, management, staff, financial and others.
- **Quality products:** Companies should be selling cook stoves/cooking technologies that have been tested, evaluated, and certified by the stove testing lab of the Rwanda Standards Board. The eligible list of Cook Stoves/cooking technologies is published and updated by EDCL.
- **Warranty and after-sales service:** Companies must offer a warranty for at least one year and have an established and active after-sales service capability and operations.
- **Adequate accounting systems and management information and well-organized IT support:** These companies who are involved in delayed payment (such as PAYGO) services should have good accounting, bookkeeping, management and adequate system software support.
- **Gender quotas:** Companies should have at least 10% of the workforce employed, represented by women, and be able to demonstrate that they apply the principle of ‘equal pay for equal work’.

Participating CCCs will enter into a Grant Subsidiary Agreement with BRD, which outlines the rights and obligations of both parties under the program. The companies should be willing to transfer emission reduction credits generated by their RBF activities under CC-RBF to BRD with no additional payment to be made by BRD.

Once accepted into the program, CCCs will be expected to meet the eligibility criteria at all times. CCCs will be monitored continuously and will be reviewed annually on a case-by-case basis. CCCs that are blacklisted by EDCL or BRD are not eligible for the CC-RBF.

6.14 Timing of enrolment

CCCs can apply for participation in CC-RBF at any point after the launch of the program but the last claim should be submitted one year prior to the end of the EAQIP project (December 2026).

6.15 Eligibility criteria for clean cooking technology

To be qualified for inclusion in the CC-RBF program, cooking technology needs to be submitted to RSB for evaluation. The evaluation process will involve a set of test methods based on the methods and guidance in ISO 19867-1 and performance criteria informed by Technical Report ISO/TR 19867-3. The general testing/evaluation requirements are listed below. Additional evaluation criteria may be added according to the requirements of the Rwanda Standards Board.

Stoves and accessories using biomass fuels that require no additional processing	Meeting thermal efficiency and PM _{2.5} and CO emissions Tier 2 requirements, according to ISO VPTs*.	Evaluate for safety and durability (the expected lifetime is at least 3 years and the manufacturer's warranty at least 1 year).
Stoves and accessories using biomass fuels that may require additional processing (for example, charcoal, wood, briquettes/pellets) and/or ventilation (for example, chimney)	Meeting thermal efficiency and PM _{2.5} and CO emissions Tier 3 requirements, according to ISO VPTs; vented stoves will be assessed for fugitive emissions and efficiency.	
Stoves and accessories using modern fuels/energy, which may include LPG, biogas, ethanol, electricity (including electric rice cooker and electric pressure cooker), solar energy, pellets, or other biomass fuels	Meeting thermal efficiency and PM _{2.5} and CO emissions Tier 4 or Tier 5 requirements, according to ISO VPTs.	

*Tier 2 cooking technologies are considered as a transition technology and may be only qualified for support and promotion by the project up to December 31, 2023.

The testing and evaluation results will be communicated in private to the submitting organization, however if the product is accepted by the project for promotion, the key performance information will be made available to the public.

The document submitted with the cooking technology must specify the source of energy to be used which should be readily available in Rwanda during project implementation and may include the following:

- Unprocessed biomass including wood
- Charcoal
- Pellets/briquettes or other types of processed biomass
- Liquid fuels
- Gas fuels
- Electricity

Domestic cooking technologies may have one or multiple burners and are expected to have adjustable (controllable) cooking power to regulate the delivery of cooking energy, and further, be able to adequately perform typical cooking tasks for rural and urban families in Rwanda. For cooking technologies that are specialized for certain cooking functions (e.g. water heating, slow cooking), the applicants must specify such functions and the relevance to Rwandan cooking practices.

The key performance indicators which will be evaluated include: cooking power, controllability (high-to-low power turn-down ratio), fuel type(s), fuel consumption (system efficiency), emissions of particulate matter (PM_{2.5}) and carbon monoxide (CO), and separate safety and durability scores. Cooking stoves fitted with a chimney to carry emissions outside the building will be assessed for fugitive PM_{2.5} and CO emissions (leakage into the home) during typical patterns of use, instead of total emissions.

Annex 1 includes call for clean cooking technologies for Rwanda clean cooking program and the application form.

The CCCs reserve the right to repossess the cook stove/cooking technology if the beneficiary household defaults on the remaining payment to the CCC. As per its repossession policy, the CCC can repossess the system, refurbish and install it to another customer. However, refurbished systems are not eligible for a new subsidy.

BRD will deduct the subsidy amount of any repossessed Cook Stoves from the next claim if the subsidy payment has been made before the repossession. For example, BRD released a subsidy payment of FRW 40 million (as 1st instalment) of 1,600 Cook Stoves sold by a company in PAYGO model, assuming that FRW 25,000 was paid for each Cook Stove as the 1st instalment. The CCC submitted the repossession list (together with the next claim) informing that they repossessed 100 stoves due to non-payment of end-user contribution from the household. BRD will deduct FRW 2.5 million subsidy already given for 100 customers.

The Claim Form and Results Form will have a separate tab to record the repossession cases such as customer ID, customer name, name of the Cook Stove technology, repossession date, and the reason for repossession.

6.16 Implementation tools and platforms

EAQIP will use several tools and platforms to carry out the CC-RBF program, similar to the REF Window 5. Each of these platforms is explained below.

6.16.1 Cook stove Management Information System (CMIS):

CMIS (to be developed) is an information system that allows the GoR and in particular, EDCL to:

- Track access to modern energy cooking services and sector developments
- Report accurately on developments to internal and external stakeholders
- Develop targeted interventions to accelerate access to modern energy cooking services
- Engage in evidence-based policymaking

6.16.2 CCC PAYGO platform

The eligible CCCs will record payment transactions on their PAYGO platform, if applicable, or on their Mobile Money account and share these payment records with EDCL and BRD (either manually or through API linking platforms). These payment records will be used during verification process.

6.16.3 CC-RBF automation platform

The CC-RBF may develop or procure a data aggregation platform that will automate various steps and processes under the EAQIP project and aligned with the REF program. First, this will allow the CC-RBF to keep track of subsidies paid, or earmarked, per CCC and across the program. This will also enable both BRD and EDCL to monitor progress by the RBF program and the sector at large. A dashboard to provide CCC-specific as well as sector-wide trends is also anticipated. Second, the platform will be able to confirm the customer payment data reported by the CCC by comparing it with third-party sales data. This may reduce the manual verification requirements.

6.16.4 Mobile Money Platforms

Many CCCs will accept payments from customers using mobile money platforms offered by mobile network operators. These platforms give CCCs a digital record of all payments by customers, including the time, the amount, and the phone number of the payment sender. If applicable, eligible CCCs will sign an information-sharing agreement with the mobile network operator and EDCL to share payment data. The data may also be supplied by a 3rd party platform. The payment data supplied by mobile money platforms may create the opportunity for more efficient and reliable payment verifications.

6.17 Data inputs to subsidy calculation

The subsidy will be calculated based on the following inputs:

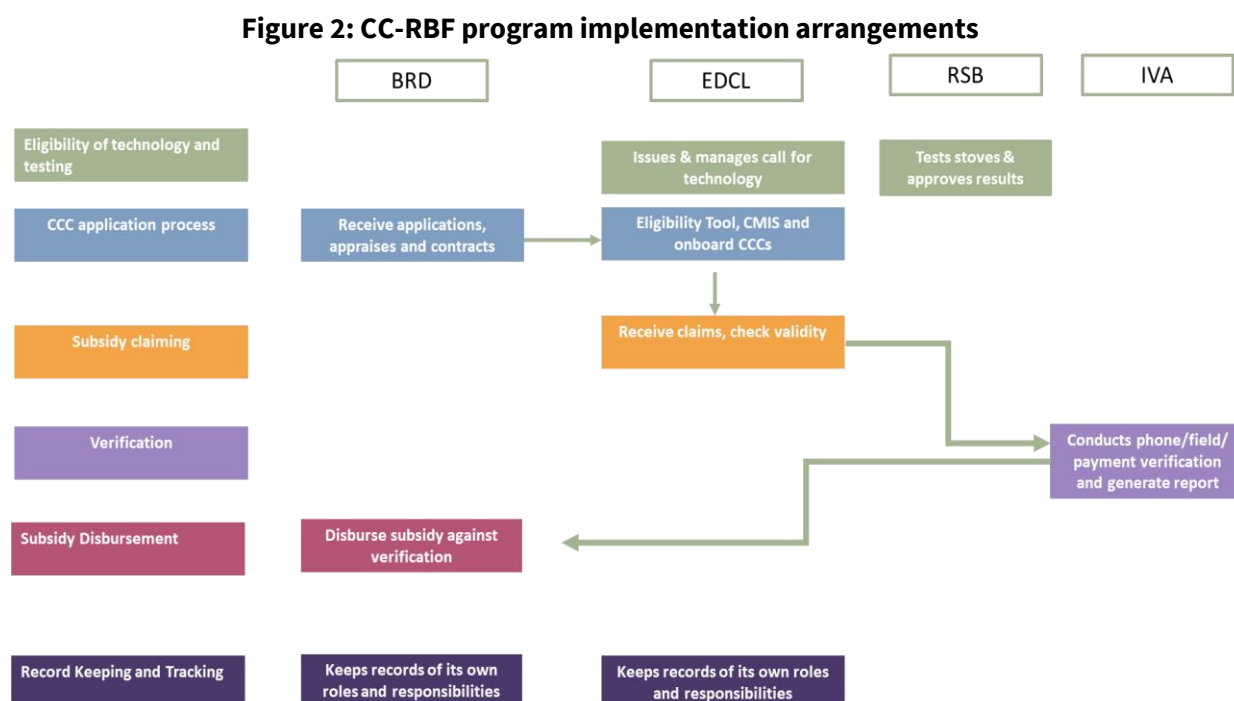
Table 5: Inputs to subsidy calculation

Input	Source of input
Stove/cooking technology	CCC (during initial RBF application and confirmed during sales registration)
Stove/cooking technology price	CCC (during initial RBF application)
Customer's Ubudehe category	Based on national ID input
Absolute or relative subsidy amount	Pre-set calculation based on Table 2. The subsidy amount for each technology proposed by CCC will be part of GSA.

B. RBF ROLES AND RESPONSIBILITIES

7 Stakeholders

The CC-RBF program is a form of collaboration between different institutions within government, the private sector and the World Bank. The implementation lies between EDCL, which will focus on the RBF implementation and BRD, which will focus on the grant management and disbursements. Figure 2 gives an overview of how the implementation is designed.



7.1 BRD

7.1.1 CC-RBF Project Implementation Unit (PIU)

BRD will be responsible for the administration of the subsidy in the following ways:

- Issues call for CCCs for the CC-RBF.
- Receives and appraises CCC applications for enrolment in the CC-RBF;
- Appraises CCCs and generates appraisal report, which will be presented to the BRD Management Investment and Credit Committee (MICC) for approval;
- Issues notification letters to approved CCCs, and also to non-approved CCCs, explaining the issues that need to be addressed to participate in the program.;
- Signs Grant Subsidiary Agreement with CCCs that are accepted in the CC-RBF program. The template for the agreement is presented in Annex 3;
- Prepares disbursement notes and secures approvals;
- Supports procurement (in case needed) of an Independent Verification Agent (IVA) to lead the verification process;

- Approves subsidy payment to CCCs after Independent Verification Agent (IVA) has provided written confirmation on RBF triggers and duly approved by EDCL;
- Makes disbursements to CCCs on their designated bank account;
- Works closely with EDCL's clean cooking unit for matters related to the technical issues;
- Provides technical assistance for activities related to capacity building, mass-user awareness, training etc.;
- Organizes Steering Committee meetings and shares the progress, issues and challenges;
- Conducts regular meetings with BRD management and seeks guidance;
- Conducts regular meetings with World Bank and seeks guidance;
- Prepares monthly internal subsidy progress report;
- Reports to World Bank in quarterly progress report.

7.1.2 *Management Investment Credit Committee (MICC)*

- The MICC of BRD sits every week, to review and approve the initial CCC applications. The PIU will also take advise from MICC on the issues and challenges related to subsidy administration.

7.2 **Energy Development Corporation Limited**

- Issues call for clean cooking technologies;
- Coordinates with RSB/Stove testing lab on eligibility test for clean cooking technologies
- Signs cooperation agreements with CCCs;
- Manages CMIS tools once available;
- Hires experts to develop CMIS and Eligibility Tool.
- Once developed, provides access to Eligibility Tool (viewer option) to BRD.;
- Before CMIS and Eligibility Tool are developed, uses simplified forms for data management
- Orientation to participating CCCs on the claiming procedures;
- Receives subsidy claims from CCCs and assesses them against claim eligibility criteria established in the Operations Manual;
- Manages IVA and supervises the verification process. During verification of the claims, IVA will verify the Ubudehe status using the Window 5 Eligibility Tool until the eligibility tool for clean cooking is developed;
- Provides feedback to CCCs on the submitted claims;
- Submits verification reports and notification for disbursement to BRD;
- Receives complaints from CCCs and, in coordination with BRD, solves challenges CCCs may face in subsidy implementation. If required, escalates complaints to Steering Committee;
- Provides overall guidance and technical backup to the PIU. The EDCL cooking team and PIU will meet on a weekly basis to discuss the issues related to CC-RBF;
- Maintains and updates the list of eligible clean cooking technologies for the RBF program, based upon the testing/evaluation results from the Stove Testing Lab;
- Keeps record of qualified cooking technologies and the corresponding CCCs;
- Provides technical review, policy studies and shares the findings with the World Bank, government agencies and other relevant stakeholders;
- Manages innovation grants and other TAs based on a yearly plan, in coordination with BRD.

- Coordinates with local governments/communities to aggregate demand (e.g. mass awareness campaigns, stove demonstrations) and facilitate verification;
- Conducts field level activities such as mass-user awareness campaigns, based on a yearly plan, in close coordination with BRD/REF.
- Set technical specifications and technological requirements of Clean Cooking stoves

7.3 Steering Committee

The Clean Cooking Steering Committee will be chaired by PS-MININFRA and will include DG-MINECOFIN, CEO-REG, CEO-BRD, MD-EDCL, representatives from the Ministry of Environment, RSB, and Local Administrative Entities Development Agency (LODA), and the Program Manager. The Development Partners will be observers in the Steering Committee. The Steering Committee will meet at least once every quarter, or as needed, during project implementation to review implementation progress, discuss emerging challenges, and identify mitigating measures.

It fulfils the following responsibilities:

- Provides oversight/strategic guidance to PIU and monitors the subsidy implementation;
- Provides advise/solutions on the challenges that may arise during subsidy administration;
- Regularly reviews and approves the revised rules and guidelines for subsidy administration;
- Facilitates coordination between key government agencies and resolves issues.

7.4 Rwanda Standard Board's Stove Testing Laboratory

Rwanda Standards Board's Stove Testing laboratory is responsible for conducting stove testing, evaluation and certification whether stoves are qualified under the CC-RBF program. It has the following responsibilities:

- Assists EDCL to review the applications received through the call for clean cooking technologies;
- Signs a non-disclosure agreement (NDA) with applicants who passes the initial screening;
- Receives units of cooking technologies submitted by applicants for testing;
- Develops the lab testing protocol that reflects the Rwanda cooking practice;
- Conducts stove testing and evaluation;
- Certifies the stove performance with tier ratings and notifies applicants on the results;
- Submits the testing/evaluation results to EDCL and recommends stove/cooking technology to be qualified for the CC-RBF program;
- Update the Rwanda clean cooking national standards.
- Submit to EDCL the name of the companies whose technical specifications and technologies meet the project technical criteria.

7.5 Independent Verification Agent

Independent Verification Agent (IVA) is the program contracted entity and function as an independent third party responsible for verifying and confirming sales and usages of Cook Stoves claimed for incentives. BRD will assist EDCL to procure an IVA through a competitive bidding. The IVA will conduct the entire verification (desk, phone and field verification) of the Cook Stoves sold and claimed by CCC. The IVA is required to provide the Performance Guarantee as their commitment

to the quality and timely completion of the work. The amount of the performance guarantee will be as per the World Bank procurement policy.

The IVA for the verification of emission reduction might be different from the IVA for verification of Cook Stove sales/performance.

7.6 World Bank

- Provides overall guidance and technical support to the PIU;
- Provides ‘no-objection’ to final decision on CCCs’ participation/suspension in CC-RBF;
- Conducts site-visits to observe impact and challenges in the subsidy implementation;
- Reviews and supports project implementation performance, including financial management of the subsidy;
- Discusses and agrees with BRD and EDCL on changes needed in the CC-RBF OM. Identifies and raises issues that might impede effective administration of the subsidy;
- Monitors compliance with the Operations Manual and the World Bank’s fiduciary and operational policies and procedures.

7.7 Clean cooking companies

CCCs that meet the eligibility criteria as defined in Section 6.11, can submit a CC-RBF Application Form (see Annex 2) through the BRD website. Once enrolled into the RBF program, the CCCs are expected to fulfil the following roles and responsibilities:

7.7.1 Identifying eligible households and supply eligible stoves

At this stage, CCC will be responsible for beneficiaries’ mobilization and recording. The CCC is also responsible for procuring and distributing eligible stoves to eligible beneficiary households. The CCC must collect the required documentation and submit electronically its claim i.e. sale of the stove and payment details to EDCL as per the information provided in Section 8.6.

7.7.2 Basic customer awareness is mandatory

The CCCs are required to provide basic awareness to beneficiary households on a) proper handling of the stove/cooking technology; b) conditions for warranty/guarantee; c) basic features of the stove/cooking technology; d) benefits; e) regular maintenance of the stove/cooking technology and preparation of the fuel, if applicable; f) contact information for after-sales-service; g) amount of customer contribution and payments terms etc. It is advised to CCCs to provide an information brochure containing the basic information of the cooking technology. A User Manual written in Kinyarwanda is also recommended for each customer.

7.7.3 Adequate resolution of beneficiary complaints required

All participating CCCs are required to have a functioning customer service number in place, either directly or through an agent, that has the capacity to log complaints and requests for service. The CCC technicians or call center agents are required to return the call of the customer within 72 hours after the complaint is registered. Customers may also register any challenges on the national customer care line set up by EDCL.

7.7.4 CCC reporting requirements

For sales to be eligible for an incentive, CCCs are required to report both through the monthly reporting to EDCL and the regular claim reporting process. The Claim Form should have customer contact information and other details necessary to conduct verification. Monthly sales reporting by CCCs to EDCL is mandatory. See Section 8.6 for more details.

In addition, CCCs are responsible for submitting a Claim Form (see Annex 4 for the template) to both EDCL and BRD via a designated email address.

CCCs will also need to be able to show the following documentation at any time during the contract period, if requested by EDCL or BRD:

- Sales records, product serial number, customer contracts and import records;
- Warranty records for products, including name, address and phone number of dealers, importers and / or manufacturers.

Where applicable, the CCC is expected to provide access to the payment data in the PAYGO software (either through a manual download or access via an API) so that the BRD and EDCL can analyze and validate information provided by the CCC.

The CC-RBF will develop a dedicated Eligibility Tool (a web-based platform) which will enable CCCs check the eligibility status of the households and book (pre-registration) and perform (registration) the sales.

7.7.5 Suspension

Whenever an CCC deviates from the eligibility criteria and the stipulated roles and responsibilities, a credible commitment in the form of a time-bound action plan needs to be prepared by CCC and approved by EDCL and BRD. EDCL, BRD and World Bank will closely monitor the performance against the time-bound action plan. BRD reserves the right to suspend CCC's participation in CC-RBF if the eligibility criteria remain unfilled and performance against the action plan (subject to World Bank non-objection), which would lead to automatic rejection of any subsidy claims.

7.8 Customers

7.8.1 Requesting CCCs to provide warranty service

The customers who face technical issues with the stove/cooking technology, will have the right to demand the CCCs for warranty provision and after sales service, as per the CCC's warranty coverage. The CCCs may charge a fee for any service that the customer may require after 1 year from the date of sale of the stove. The fee shall be agreed upon between customer and CCC.

7.8.2 Registering a complaint

If the beneficiary household does not receive a response from the CCC within 1 week after reporting the issue or if in case of malfunction of the stove/cooking technology and/or the repair is not done

within 2 weeks, the customer should contact EDCL and register a complaint. EDCL will register the complaint and escalate it at BRD Grievance Redness Mechanism (GRM), if necessary. EDCL will share the complaint with the CCC, those complaints related to the CCC performance. Both the CCC and EDCL should have dedicated staff responsible to attend complaints and service requests. The GRM committee at BRD will handle complaints from CCCs and other relevant stakeholders.

The CCCs are required to include the contact number of EDCL provincial staff/office or EDCL hotline in the Sales Contract signed with their customers with the instruction to call EDCL if the CCC does not address the customer's response within 1 week.

EDCL will register the complaint in the CC-RBF Customer Complaint Logbook (in Kobo Tool Box). The logbook must include the information such as date of complaint received, name of the customer, national ID of the household member who signed sales contract with the CCC, phone number, name of the CCC, location (by district, sector, cell, and village), the date customer complained to the CCC, and brief description of the complaint.

EDCL will not register the complaint if the customer has not first reported such complaint to the CCC. EDCL will share (on a monthly basis) the Excel copy of the complaint with Grievance Redness Committee (GRC) maintained at BRD for further action. The GRC will instruct the CCC to resolve the complaint within 5 calendar days. After 5 days, the member of the GRC will call back to the customer to confirm that the CCC has resolved the issue.

The complaint that are not related to the after-sales-service such as customer complaints because of the CCC repossession, stolen of the Cook stove, etc. will be treated separately by the GRC.

C. RBF PROCEDURES

8 Procedures for CCCs

8.1 CCC application to CC- RBF program

Tools & templates required:
<ul style="list-style-type: none">• Application Form• Template for formal letter requesting CC-RBF participation• EAQIP CC-RBF FAQ document

CCCs must fill in an Application Form and submit it through the BRD website. The aim of the application process is to confirm that the applicant has all the capabilities needed to deliver quality equipment, service and after-sales service to customers and that it has the internal integrity and rigor to cope with the reporting and audit requirements attached to the grant. The application will focus on its operational setup, product portfolio, pricing plans, and other information relevant to successful program participation. The following files and records need to be submitted:

1. A formal letter (as per Annex 5) requesting to participate in the EAQIP CC-RBF Program;
2. RBF Application Form, to be downloaded from and uploaded to the BRD website;
3. Certificate of company registration from Rwanda Development Board (RDB);
4. Audit report of past three financial years and valid tax and RSSB clearance certificate. Start-up companies who are not able to provide audited reports should at minimum provide management accounts;
5. Curriculum vitae of the members of the Board of Directors, if any and the management team;
6. Business plan of the company, if available;
7. Copy of the cooperation agreement signed with EDCL;
8. Description of its products, distribution and customer support process, and confirmation by RSB that the product is included on the eligible stove/cooking technology list published by EDCL;
9. Pricing plan for RBF scheme and how this differs from pre-subsidy pricing models;
10. If available, organizational chart for the IT and data processing function. Summary list for IT hardware, database and application software and communication equipment.
11. Submission of a Certificate from Rwanda Standard Board approving the eligibility of clean cooking Stoves.

The CC-RBF Application Form is attached in Annex 2.

8.2 Signing Grant Subsidiary Agreement

Tools & templates required:

- | |
|------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Grant Subsidiary Agreement |
|------------------------------------------------------------------------------|

Successful CCCs will receive a notification letter from BRD and are invited to sign a Grant Subsidiary Agreement with BRD. The template for the agreement is provided in Annex 3. CCCs applying for subsidy funding from CC-RBF Program are required to agree to the following requirements:

- Allow qualified EDCL and BRD representatives, on a need-to-know basis, access to privileged and confidential information necessary to appraise whether the CCC meets and/or continues to meet the agreed qualification criteria;
- Agree to devote adequate resources to the Project, to establish and maintain an adequately staffed sales and after sale services team, management group, or equivalent, and to join any available Project-related training;
- Agree to provide customer payment data and installation information (including GIS coordinates), required to verify eligibility of subsidy claims;
- Agree to potentially integrate PAYGO software by linking it with the CCMIS or BRD managed platforms;
- Agree that BRD and the World Bank may conduct independent audits of the CCCs accounts related to the stove sold that have been subsidized through the CC-RBF Program.
- Agree to transfer emission reduction credits generated by their RBF activities under CC-RBF to BRD with no additional payment to be made by BRD.

8.3 Conducting basic eligibility check

Tools & templates required:

- | |
|----------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Eligibility Assessment Checklist• CC-RBF Eligibility Tool |
|----------------------------------------------------------------------------------------------------------------------|

Once the CCC has signed the Grant Subsidiary Agreement, it becomes eligible to participate in the CC-RBF program. EDCL will on board companies by providing detailed instructions on how to identify eligible customers and how to claim subsidy for them.

Once the program on boarding has been completed, the CCC can sell, finance, distribute, and install (if applicable) the cooking technology as per its own business model.

At this stage, the CCC will be responsible for beneficiaries' mobilization and recording. The companies will be able to determine the basic eligibility whether a customer is eligible for a CC-RBF subsidy and, if eligible, how much subsidy. The CCC (or its agent) will collect basic information from the potential customer as per the following Eligibility Assessment Checklist.

Eligibility Assessment Checklist

- Record the name, address, and contact number of the potential customer

- Ask the Ubudehe category. This information is crucial to determine the subsidy amount.
- Ask whether the potential customer has already bought a subsidized clean Cook Stove. If “yes”, the household would not be eligible for CC-RBF subsidy. If “no”, the household would potentially be eligible.
- If the potential customer answers “no”, ask the same question again. Inform that he/she has to sign the Sales Contract declaring that the information is true and correct.
- The potential customer would be considered as an “eligible customer” if he/she is ready to sign the Sales Contract with information declaration clause.

The information collected based on the Eligibility Assessment Checklist does not guarantee that the households provides accurate information. For example, the household may provide wrong Ubudehe category with the motive of getting higher subsidy. The CCC should make maximum effort to collect the accurate information. The CC-RBF applies following measures to control the fraud from the customers:

- Signing of Sales Contract between CCC and its customer is mandatory.
- The executive secretary of Cell approves the sales by signing and stamping on bulk sales report (List of sales)
- Considering the nature of Kigali city, contract signed by the CCC company and the customer will be enough; no approval of the Cell will be required. The CCC will be responsible of ensuring that the information provided is true.
- Before the sale is made, the CCC must educate the customer about potential consequences of the fraud.

The CC-RBF advises CCC to apply other control measures such as penalizing the sales agents if they intentionally sale the Cook Stove to wrong Ubudehe category. The CCC can hire the sales agent from the local area who may have prior information of the potential customer.

The risk of sales made to an ineligible customer should be fully covered by the CCC. If the CC-RBF program (during verification) finds that the CCC made sales to an ineligible household due to the wrong Ubudehe category, double sales, etc. those sales will be considered as ‘ineligible’ and the program will not release subsidy to such ineligible sales.

For example:

- If the verification finds that the same customer is included in more than one company’s sales claim, the program provides subsidy only to that CCC who has sold the Cook Stove first (based on the date of sales).
- If the verification finds that the sales was made to a customer whose actual Ubudehe status is different from the one claimed by the CCC, the program considers this sales as ineligible and is not liable to disburse the subsidy amount.

The CC-RBF program believes that the identification of an eligible customer is the responsibility of CCC. The CCCs are free to take any actions to such ineligible customers including repossession of the stove.

It is expected that the above measures will significantly minimize the possibility of frauds from the potential customer. It is also expected that the household will not buy more than one Cook Stove since the Cook Stove is not one-hundred percent subsidized. The mandatory customer contribution may prevent the customer from making unnecessary purchase decision.

EDCL to explore a possibility of providing access to CC-RBF Eligibility Tool to the CCCs. The companies will use this tool (only viewer access) to check the Ubudehe status of the households.

The CC-RBF follows the above approach of conducting eligibility check as an intermittent solution. Finally, the Eligibility Tool will be in place which protects the CCC from selling Cook Stove to an ineligible customer. The EDCL expects to launch the Eligibility Tool within 12 months.

To explore a possibility with EDCL to expand the current Window 5 eligibility tool to include clean cooking companies. This means that both off-grid and clean cooking companies will use the same eligibility tool.

8.4 Pre-registration of sales, if applicable

After the CCC assesses the eligibility status of potential customer, the sales may immediately be realized, or the potential customer may decide to buy the Cook Stove later. The CC-RBF advises CCC to register the demand if the customer wants more time to make a purchase decision. This process is called pre-registration of sales. The CC-RBF advises CCC to collect demand money to minimize the possibility of the customer registering the sales in one company and buying the Cook Stove from another company. This pre-registration function will be conducted through the Eligibility Tool once available.

8.5 Confirmation of sales

Tools & templates required:
<ul style="list-style-type: none">• Sales Contract (Annex 5)

The confirmation of sales is the last step in ensuring that the subsidy is reserved permanently for the company. Companies can confirm sales when: 1) a contract between the company and the customer has been signed; 2) the purchased stove/cooking technology has been installed at the customer's home, if installation is required; and 3) the sales have been approved by the relevant local authority. Each time a sale is confirmed, the CCC should earmark the total subsidy amount of the confirmed sales and deduct from the total eligible grant amount signed with BRD. The CC-RBF advises CCC to regularly check the remaining grant amount to ensure that the amount is available before the sales are made. CC-RBF does not guarantee payment of subsidy above the grant amount.

The CCC should sign the Sales Contract (as per the template provided in Annex 5) and receive sales approval from the relevant local government authority. The CCC should be able to provide to EDCL (or IVA) the copy of Sales Contract and proof of the local government approval, if deemed necessary.

The CCC will confirm the sales through Eligibility Tool once available. The CC-RBF will provide each company one or more Eligibility Tool Admin User. Only Admin Users can confirm sales in the Eligibility Tool. The Eligibility Tool User Manual will guide the procedure of operating the Eligibility Tool including bulk upload, sales registration, sales confirmation etc.

8.6 Claim submission through email

Tools & templates required:
<ul style="list-style-type: none">• CC-RBF Claim Form template• CC-RBF email address to submit claims• Monthly Report to EDCL

To bundle administrative work for both the CCC and the CC-RBF, the claim submission schedule is as follows:

- Each company can submit one claim every quarter, regardless of the number of customers that reached their next disbursement milestone;
- If a company has more than 500 customers reaching the next disbursement milestone within a quarter, then the company may submit a second claim within that quarter.

Companies can thus not submit more than two claims per quarter.

The Claim Form (see Annex 4 for the template) contains company and product information. In addition, the Claim Form specifies the claim period, based on the sales confirmation date. Since each confirmed sale has a specific sale date, EDCL will automatically know for which sales the claim is being submitted.

Moreover, CCCs should use the Claim Form to report the payment data of each customer. For PAYGO or credit sales, this is necessary to verify that customers have reached the 15% or 100% customer contribution threshold, for disbursement 2 and 3, respectively. In the longer run, there may be an option to integrate a CC-RBF IT platform with the CCC IT platforms or directly with the mobile money providers. The following information submitted in the Claim Form will be reviewed:

1. Name and Ubudehe category of the customer
2. National identification number of the customer
3. Location of the household (i.e. village, Cell, Sector, District)

The following information from the CCC Monthly Report to EDCL will be checked:

1. Sales date
1. Name and gender of the customer

2. Household size
3. National identification number of the customer
4. Phone number of the customer or another contact
5. The product name, model number, and unique product serial number
6. Performance level (tiers)
7. Type of fuel used with the stove
8. Sales / service contracts that includes agreed end-user price of stove
9. Location of the household (i.e. village, Cell, Sector, District), with GIS coordinates
10. Customer status (active, paid off)
11. Repossession date (with customer ID)

All companies participating in the CC-RBF are also required to report all their sales (subsidized and regular sales) to EDCL on a monthly basis, in line with the requirements set out in the cooperation agreement signed with EDCL. The report template for monthly reporting differs from the Claim Form. The Monthly Report contains additional details – compared to the Claim Form -- which are required for claim verification and disbursement. For that reason, it is important that the sales date in the Monthly Report to EDCL matches the confirmation date in the Claim Form.

In case a Claim Form did not get approved due to missing or incorrect information (e.g. stove that were not included in the monthly reporting to EDCL), CCCs will have ten (10) working days after the rejection to submit the missing sales information to EDCL and BRD, either through the Monthly Report or through the revised Claim Form (whichever held incorrect data).

Should a company fail to provide the information requested or misreport this information, an escalation process will be initiated, which may ultimately result in expulsion from the program. The PIU will escalate issues at BRD management who will decide on the level of expulsion, with no-objection from World Bank. Please see Section 9.2 for more detail on how EDCL processes claims.

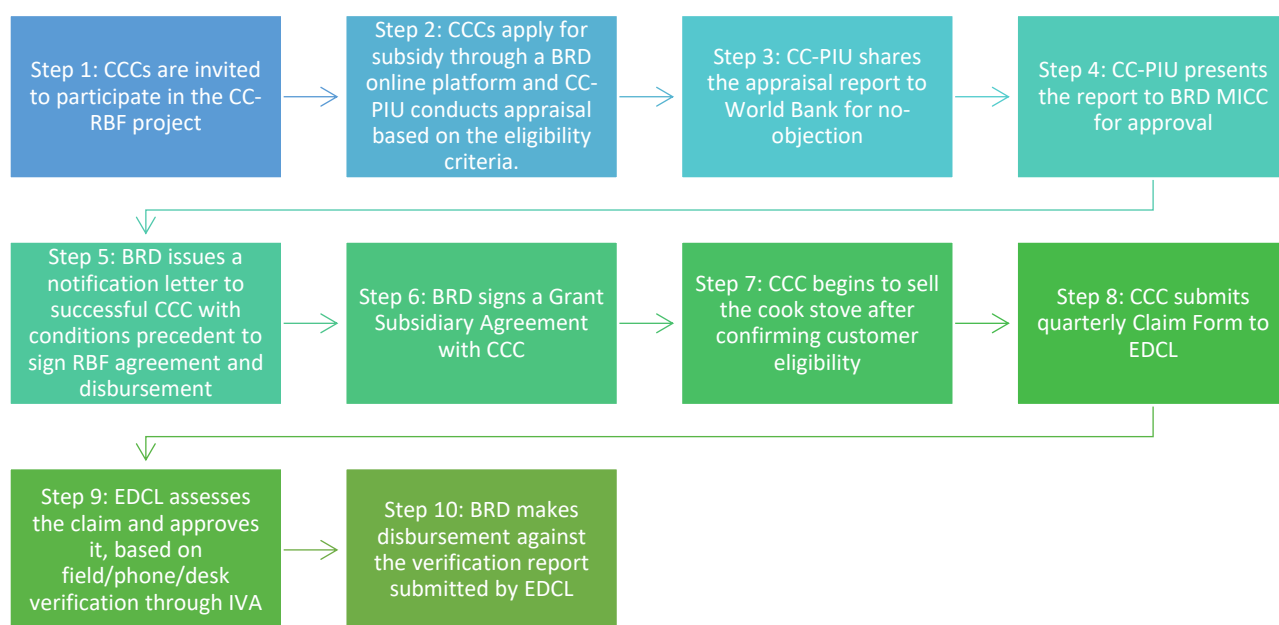
8.7 Providing warranty

All participating CCCs are required to provide stove warranty and after-sales-service for at minimum 1 year after sale. Failure to provide 1 year service will lead to suspension from CC-RBF program.

9 Procedures for BRD and EDCL

In summary, BRD and EDCL will take the following steps, in response to the steps taken by the CCCs. Step 1, step 2, step 7 and step 8 in Figure 3 are explained in more detail in Section 8, which describes the step-by-step procedures for CCCs. Step 3, step 4, step 5, step 6, step 9, and step 10 are elaborated in this Section 9, which stipulates the procedures for BRD and EDCL.

Figure 3: From CCC application to subsidy disbursement



9.1 BRD: CCC appraisal, CCC eligibility review and contracting

Tools & templates required:
<ul style="list-style-type: none"> • Grant Subsidiary Agreement (Annex 3) • CC-RBF OM for CCC eligibility criteria

BRD will select eligible CCC based through an appraisal process. The appraisal process follows through the CCC eligibility criteria (Section 6.11). Those CCCs who fulfill the eligibility criteria will be selected and sign a Grant Subsidiary Agreement. Figure 3 (step 1 – 6) provides procedures of CCC appraisal and contracting.

9.2 EDCL: Claim processing

Tools & templates required:
<ul style="list-style-type: none"> • CC-RBF Claim Form template • CC-RBF email address to receive claims • Claim Checklist • Results Form • Company File • Verification Tracking File

The EDCL through IVA will conduct a desk-based verification of 100% sales claimed by the CCCs. The desk-based verification will check the information submitted by CCCs such as customer ID, Ubudehe category, subsidy amount, price of the Cook Stove, etc. The verification will be conducted based on the Claim Checklist, of the received Claim Form. The main step conducted is to compare sales confirmed in the Claim Form with data submitted by CCCs through the Monthly Report to

EDCL. The results of this data check are stored in the Results Form. Based on the data in the Results Form, EDCL will determine the validity of the claim. In summary, EDCL will check the following:

- The correct subsidy amount is claimed for each household;
- Customer payments reached the threshold for the claimed Instalment for PAYGO/credit sales;
- Sales claimed for in the Claim submission were registered during the monthly reporting to EDCL.

If the claim is deemed eligible, EDCL will deduct the number of repossessed systems from the number of total eligible systems to determine the number of stoves/cooking technology to be claimed. Then, EDCL will complete the Claim Form with the number of stoves/cooking technology to be claimed and will enter the claim information in the Company File. The Company File is used to keep track of the status of each claim as well as other details (e.g. number of claims submitted, number of stove/cooking technology claimed for, number of stove/cooking technology that passed and that didn't pass, subsidy disbursement date).

Once EDCL has completed its analysis, it will notify companies of the determined claim size and any discrepancies found. For systems that were not reported to REG/EDCL in the Monthly Report, companies will have ten working days to submit the missing sales information to REG/EDCL.

Each step shall be recorded with the date of completion and the individual in charge in the Verification Tracking File.

9.3 EDCL: verification of sales and of reaching customer contribution thresholds

Tools & templates required:
<ul style="list-style-type: none">• Phone verification customer list• Field verification customer list• Phone verification survey• Field verification survey• Verification Report• Verification Tracking File

The verification of sales will be conducted by EDCL's -contracted IVA. The verification process includes the establishment of the sample size, phone verification, field verification, payment verification and verification reporting. Field and phone verification are required to confirm the claim for customers reaching the first (sales) and the second (adoption) disbursement milestones. For PAYGO/credit sales, payment verification is required for the verification of reaching the second and third disbursement milestones. Each of these steps is described in below sub-sections.

9.3.1 Establishing a verification sample

EDCL will use random sampling to select the verification sample and to ensure its relevancy. When EDCL enters the claim data into the Company File, the sample size will be automatically calculated based on the total number of claimed sales.

Desk verification is done for 100% of the PAYGO customers for which subsidy is being claimed for. In other words, no sample needs to be established for desk verification. The sample size for phone and field verification will be determined as follows:

Table 6: Verification sample at each disbursement levels, PAYGO/credit sales

Disbursement milestone	Desk verification	Phone verification	Field verification	Total sample
Disbursement 1 – upon verification of sales report	On 100% of claim	On a 5% sample	On a 5% sample	10%
Disbursement 2 – 3 months after the installation/sales on continued use and 15% customer contribution	On 100% of claim	On a 5% sample	On a 5% sample (for the first 2 years)	10%
Disbursement 3 – 1 year after the installation/sales on continued use and 100% customer contribution	On 100% of claim	On a 5% sample	NA	5%

Table 7: Verification samples at each disbursement level, Cash sales

	Desk Verification	Phone verification	Field verification	Total sample size per disbursement milestone
Disbursement 1 - upon verification of sales report	On 100% of claim	10% sample size	10% sample size	20%
Disbursement 2 – upon verification of continued use and adequate customer service, after 1 year	NA	10% sample size	10% sample size	20%

Of the total sample for customers reaching the first and second disbursement milestones, 50% (i.e. 50% of 20% total sample) will be verified using phone verification and 50% using field verification. For example, if the total sample is 200, then 100 customers would be verified through phone calls and 100 through field visits.

The subsamples including customer information will be copied by EDCL into the Phone Verification Customer List and Field Verification Customer List and will be used for verification.

Based on the CCCs' tracking record and the project implementation progress, it is expected that the sample size, especially the field verification sample size will decrease over time. Field verification will apply to the second disbursement for the first two years and the overall field verification sample size will be limited to 5% to control the verification budget.

The EDCL will complete the verification of each claim within 30 working days from the date claim received by CCC.

Desk verification for disbursements 2 and 3 are mainly for cooking technologies that involve the PAYGO system when the payment/usage data is available. For cash-based sales, CCCs are not expected to provide additional information for disbursements 2 for verification.

9.3.2 *General rules on how to classify verification results*

Depending on the answers provided by the customer, the customer will be marked as either:

- “Passed”:
 - For disbursement 1: The customer has bought a stove/cooking technology and still had it when the last report was submitted to CCMIS. If a stove/cooking technology has been switched off due to non-payment in the case of the Paygo model, but has not been repossessed, the customer would still pass.
 - For disbursement 2 and 3: The customer is using the clean Cook Stove, the CCC is providing required after sales service, and in the case of Paygo model, 15% or 100% customer contribution has been paid to the CCC.
- “Failed”:
 - For disbursement 1: The customer has not bought a stove/cooking technology or the stove/cooking technology has been repossessed during a previous reporting period without the repossession being reported to CCMIS at the appropriate time.
 - For disbursement 2 and 3: The customer, or another source, informs that the stove is not working the CCC has failed to provide required after sales service, or in the case of Paygo model, 15% or 100% customer contribution has not been paid to the CCC.
- “Conditional passed”:
 - For disbursement 2 and 3: the customer is not using the clean Cook Stove due to circumstances which is not related to the stove functionality and CCC's after sales service (e.g. moving, change of personal preference, lack of availability of associated fuel, increase of fuel costs). The customer will be marked as “conditionally passed” with specific reasons recorded. Depending on the specific reasons, the CCC will be requested to take specific actions to address those cases, e.g. improving fuel supply, or limit sales to certain type of customers who are

unlikely to sustain adoption. For reasons that are out of control of the CCC, disbursements will be approved without delay.

- For disbursement 2 and 3: the customer is found to give away or resell the clean Cook Stove to others, the customer will be marked as “conditional passed” with the reason recorded. The information will be sent to the local authority to improve awareness on households’ responsibilities for participating in the program. The customer should be requested to take back the clean Cook Stove that was given away or resold. The EDCL will follow up with the local authority on the status. The CCC is requested to reiterate the customers’ responsibilities during the future sales. Disbursements for CCC will be approved without delay.
- If a customer confirms having bought a stove/cooking technology, but claims that the system is no longer working, the customer will be marked as “conditionally passed”. The CCC will be notified of “conditionally passed” customers and will be requested to investigate the reason for the stove/Cooking technology not working. If there is a technical issue not due to misuse, the CCC will be requested to repair the issue within 1 month. After 1 month, the EDCL will call “conditionally passed” customers again to verify whether repairs have been made and document the result of the call. If the stove/cooking technology has been repaired and is functioning, the customer will be changed to “passed” and the incentive will be paid out with the next claim or in a separate payment if there is no additional claim.

9.3.3 Phone verification

Phone verification will be conducted prior to each of the two or three disbursements. The sample size will be 5% of the customers claimed for, per milestone, as indicated in Table 6. For phone verification, 10% of the sample will be selected from previously claimed customers under the CC RBF – if applicable - and 90% will be randomly selected (exact numbers will be calculated automatically in the Company File). As there won’t be any previously claimed customers for the first claim, 100% of the sample for the first claim will be selected randomly.

The verifier will call customers and will ask them a series of questions, as per the Phone Verification Survey, to determine whether they have bought and received a subsidized stove/Cooking technology. Phone verification of first disbursement milestones is slightly different from phone verification of second and third disbursement milestones and thus each has its own Phone Verification Survey.

Some customers may not be immediately reachable due to different reasons (incl. e.g. poor network, unavailability, low battery, phone being turned off, etc.). Hence, the verifier should try to reach the customer four times taking care to call at different times during the day (morning, lunch time, afternoon, evening) and on different days. If a customer has not been reached after 4 attempts, the customer is marked as “unreached”.

Once a customer is reached, the verifier will go through the questions in the Phone Verification Survey. All questions need to be asked and answers recorded accurately in an excel file. Particular attention should be paid to the date of sale and product type. It should be noted that customers sometimes don't remember the exact date. Hence, a difference of one month between the date of sale indicated by the customer and the company is permissible.

Once all customers have been reached or called four times, the verifiers will notify EDCL that verification is completed and if necessary transmit the results of the verification to EDCL. EDCL will consolidate and analyze the results and complete the corresponding fields in the Company File.

The outcome of the phone verification will be determined based on the following criteria:

Passed

- Condition for disbursement 1: **More than 75% of called customers have been reached and 100% of reached customers confirmed that they have bought a system (“Yes”).**
- Condition for disbursement 2 and 3: **More than 75% of called customers have been reached and 100% of reached customers confirmed that they** continue to use the Cook Stove/cooking technology. In the case of the Paygo model, customers also confirmed that they have paid at least 15% or 100% of the customer contribution.

Conditional passed

- Condition for disbursement 1: **More than 75% of customers have been reached and at least 90 % of reached customers confirmed that they have bought a stove/Cooking technology (“Yes”).**
- Condition for disbursement 2 and 3: **More than 75% of called customers have been reached and at least 90 percent of reached customers confirmed that they** continue to use the Cook Stove/cooking technology.. In the case of the Paygo model, customers also confirmed that they have paid at least 15% or 100% of the customer contribution.
- Next step: Customers that denied having bought and received a cooking technology will be added to the field verification. The field verification will be conducted together with a company representative and local government official. EDCL will contact the company to inform about the result, request support during the verification of failed customers and ask for proof of sale for contract verification.

Inconclusive

- Condition for disbursement 1, 2 and 3: **Less than 75% of called customers can be reached** via telephone (even after trying to reach them through the retailer or other contact persons such as village leader, cooperative leader, etc.)
- Next step: Expand the sample for phone verification by the number of additional customers required to reach conclusive results (75% reached). E.g. If 100 customers were called during phone verification, verifiers would need to reach 75 customers to have a conclusive result. If verifiers only reach 50 customers (50%), 25 customers ($75 - 50 = 25$) are still needed to reach 75. The verifiers will expand the sample for phone verification until a total of 75 customers are reached.

Table 8: Summary of phone verification outcomes

Outcome	Reached	Sale confirmed	Next step
<i>Passed</i>	>75%	100%	<ul style="list-style-type: none"> • Regular field verification
<i>Conditionally passed</i>	>75%	<100%	<ul style="list-style-type: none"> • Regular field verification • Field and contract verification of failed customers with company and local government official
<i>Inconclusive</i>	<75%	N/A	<ul style="list-style-type: none"> • Expanded phone verification

Contract verification is thus only conducted when the phone verification found that customers denied sales.

Each step shall be recorded with the date of completion and the individual in charge in the Verification Tracking File.

9.3.4 *Field verification*

Field verification will be conducted on claims pertaining to the first and second disbursement milestones. The sample will be selected based on geography and customer density to minimise time and costs associated with travel. Several areas (e.g. Districts or Cells) must be covered during each field verification.

The results of the field verification are, just like the phone verification, recorded in an Excel file.

EDCL will complete an analysis of the verification results and update the corresponding fields in the Company File. In addition to the Company File, EDCL will also fill out the Field Verification Report.

The outcome of the field verification will be determined based on the following criteria:

Passed

- Condition: Less than 2% customers have failed.
- Next step: EDCL will inform BRD about the outcome and will instruct BRD to prepare the disbursement, excluding all customers that “failed”.

For example, if a CCC submits a claim size of 600 Cook Stove sales. 60 Cook Stoves were selected into the verification sample, 30 were verified through phone and 30 were verified through field visit. During the field visit, 1 customer denied purchase of the stove and the CCC failed to provide the sale contract. In this case 1.67% sample failed, BRD will prepare 98.33% eligible disbursement (i.e. 98.33%*600) for the claim of 600 Cook Stoves sales.

Conditional passed with need for improvement

- Condition: Between 2% and 10% customers have failed.
- Next step: EDCL will inform BRD about the outcome and will instruct BRD to prepare the disbursement, excluding all customers that “failed”. In addition, EDCL/BRD will call a

meeting between the company and all implementing partners to discuss the issues identified and identify ways to improve company performance and / or the RBF process.

Conditionally passed and exclusion from program

- Condition: More than 10 % customers have failed.
- Next step:
 - EDCL will inform BRD about the outcome. EDCL will notify BRD to prepare the disbursement for all customers that “passed” and inform the company that it will receive subsidies for customers that “passed” verification, but that it will be disqualified from the program.

Table 9: Summary of field verification outcomes

Outcome	% of verified sample failed	Next step
<i>Passed</i>	< 2 %	<ul style="list-style-type: none"> • Disbursement (apply the confirmation rate from the sample verification)
<i>Conditionally passed with need for improvement</i>	2 % > X < 10 %	<ul style="list-style-type: none"> • Disbursement (apply the confirmation rate from the sample verification) • Discussion on improvements required with company
<i>Rejection of claim</i>	> 10 %	<ul style="list-style-type: none"> • Resubmission of corrected claim; Exclusion from program if two consecutive claims are rejected.

Once field verification is completed, EDCL will compile the Claim Checklist (incl. results from each verification), which will need to be signed by verifiers. The signed Claim Checklist is not necessary to initiate disbursement but must be archived as soon as possible.

9.3.5 *Payment verification for PAYGO/credit sales*

As displayed in Table 3 in Section 6.6, the second and third disbursement are conditional upon customers reaching a customer contribution minimum threshold of 15% and 100%, respectively. Moreover, the list of eligible customers for the second and third instalment can only come upon successful payout of disbursement 1. Customer payment data is submitted by CCC in the Claim Form and needs to be verified by EDCL.

Table 10: Payment data inputs required for verification

Data	Source
Date	Clean Cooking Company
Account #	Clean Cooking Company
Amount	Clean Cooking Company
Unique ID	Clean Cooking Company
Unit Price	Clean Cooking Company
Eligibility	CMIS/LODA
Ubudehe Category	LODA
Total Payments	Calculation
Verification Status	Calculation

Payment verification can be done via phone, as described above.

9.3.6 EDCL communication about verification outcome

First, EDCL will report to BRD about the outcome of its verification. Specifically, EDCL will send the Claim Checklist and Verification Report to BRD. Each step shall be recorded with the date of completion and the individual in charge in the Verification Tracking File.

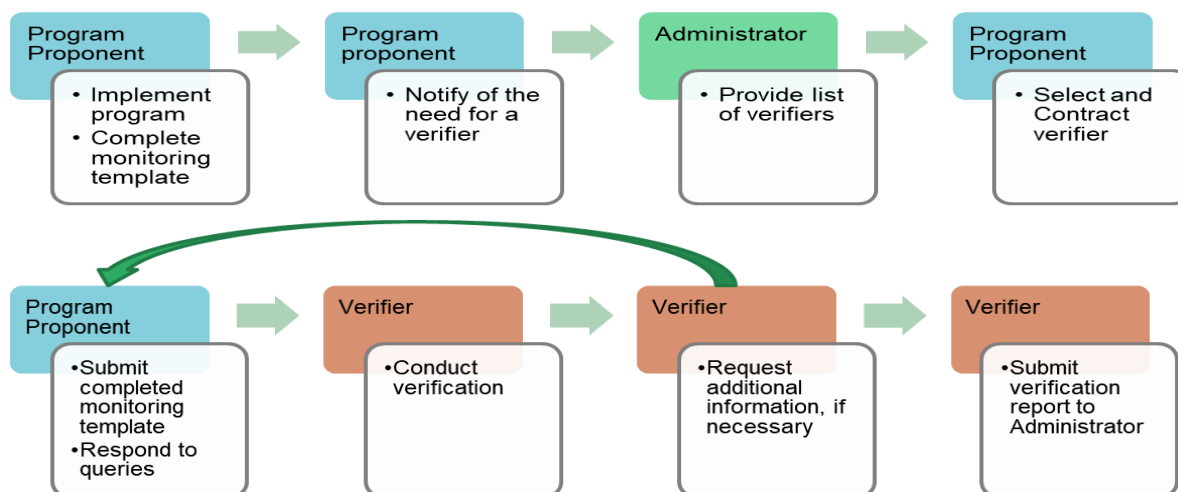
In parallel, EDCL will inform the CCC about the outcome of the verification. In case EDCL established that the submitted claim violated the eligibility criteria of the households or the cooking technology, or if there are other anomalies, then EDCL will reject the submitted claim. The CCC will then receive a claim rejection letter. The CCC has a right to re-submit the claim with corrected data.

9.3.7 Carbon RBF verification via third party IVA

Since the CC-RBF is expected to receive carbon finance, EDCL, via a carbon finance IVA, is responsible for carbon RBF verifications related to cooking activities under CC-RBF. Specifically, it is responsible for:

- Listing carbon program under post-2020 Standardized Crediting Framework (SCF) framework
- preparing emission reduction monitoring package to submit to the carbon finance IVA for verification.
- submitting verification package to Rwanda Environment Management Authority (REMA) for carbon credits issuances under SCF.

8 steps in carbon RBF verification process



The overall carbon RBF verification process is described above. The carbon related verification is outlined below and more details will be provided once the carbon finance is approved. Efforts will be made to synthesize with the CC-RBF verification procedures wherever possible.

Program Proponent: EDCL

Administrator: Rwanda Environment Management Authority (REMA)

Verifier: Independent Verification agents (IVA) accredited by REMA

Means of verification

The assessment involves a review of relevant documentation as well as an on-site visit (at least for the first verification).

Verification activities

- a. **Desk review of documentation:** The verifier will review, among other things, the Listing Document and its associated documentation; Monitoring Report and associated documentation; and the Monitoring Calculation Tool
- b. **Site visit (at least for first verification):** A site visit will be conducted and may include visiting specific locations or facilities included in the sample groups for determining key parameters.
- c. **Data checks and sampling plan:** As part of verification, the verifier will undertake a variety of checks and cross-checks on measured and estimated parameters. Supporting evidence for measurements and reporting could be in the form of:
 - Stove invoices, purchases and sales orders;
 - Maintenance records;
 - Field check reports, sampling exercises and analysis reports;
 - Calculation spreadsheets and other electronic files; and
 - Other types of records deemed valid according to the verifier's professional judgment.
- d. **Verifier internal review:** Following the desk review, site visit and data checks, a senior internal staff member within the verifier reviews all assessments of eligibility and performance conducted so far during verification, based on their professional judgement
- e. **Findings:** Findings are the list of all identified material and immaterial errors and misstatements – they do not include solutions or potential remedies for resolution. Findings are delivered to the Program Proponent during verification so that the Program Proponent may make corrections or clarify information
- f. **Clarifications and revisions of Monitoring Report:** Program proponents will reply to the clarification requests and make any necessary changes to the Monitoring Report to address all material findings.
- g. **Draft Verification report:** The draft verification report shall document all findings and the corrections or corrective actions taken by Program Proponents to address the findings, as well as the process followed in verification.
- h. **Final verification report and opinion:** The final verification report shall confirm whether the program meets all eligibility requirements, monitoring requirements, and has no material non-conformance or misstatement. The verification statement and opinion shall be explicit, conclusive and unequivocal.

9.4 BRD: subsidy disbursement

If the claim was approved by EDCL and the CCC has indeed fulfilled its eligibility criteria, the PIU at BRD will prepare a disbursement note and send it for signature to the relevant officer. BRD will release the disbursement and inform the CCC.

BRD releases the subsidy equivalent to the approved claim. The disbursement follows a bank transfer on the bank account of the CCC. BRD will release the payment within 2 business days after the recommendation received from EDCL. BRD reserves the right to deduct any penalties as recommended by EDCL based on above criteria.

In summary, the claiming, verification, approval and disbursement will follow following timeline: in Figure 4. Once the carbon finance is integrated into the EAQIP project, the subsidy disbursement flow will follow Figure 5.

Figure 4: Subsidy disbursement flow

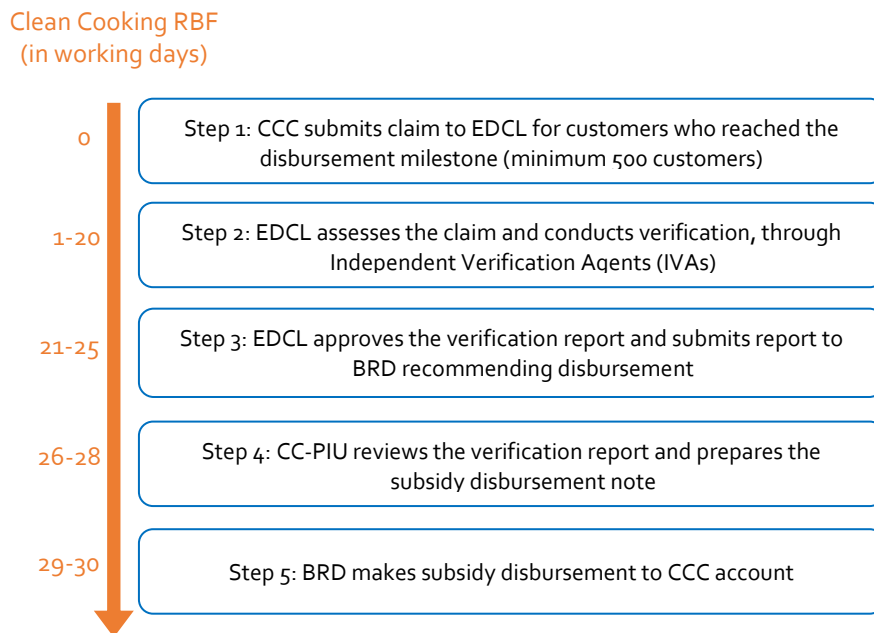
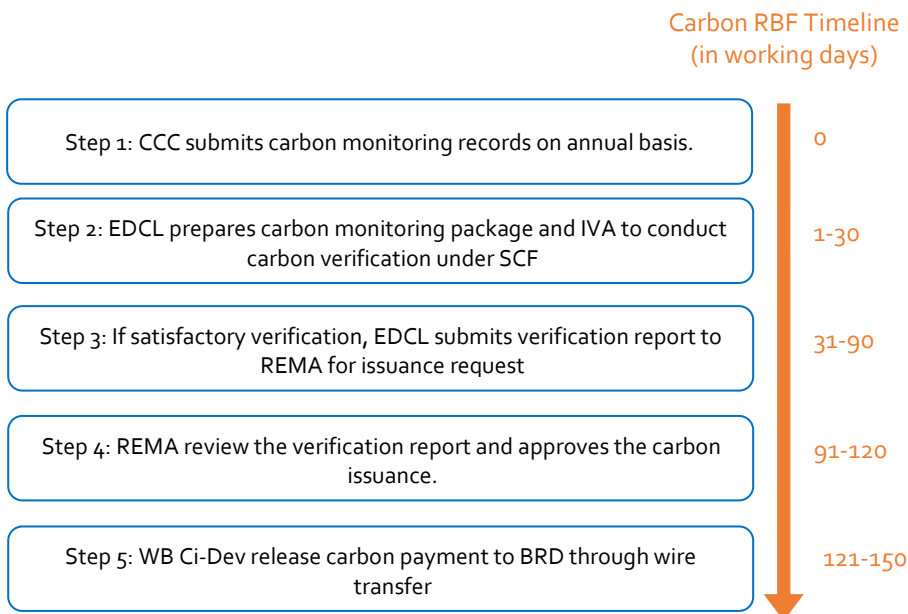


Figure 5: Carbon finance disbursement flow



10 Tools and templates

In summary, the following tools and templates will be used throughout the program:

Tool	Description	Use
Clean cooking technologies application Form (i.e. Annex 1)	To be downloaded by interested companies from the EDCL website	Data collection and appraisal of clean cooking technologies by EDC and RSB
Application Form (i.e. Annex 2)	To be downloaded by interested companies from the BRD website	Data collection and company appraisal by BRD
CC-RBF announcement and FAQ	Informs the sector about the new program, participation criteria and application procedures	External communication
Claim Form (i.e. Annex 4)	Contains basic information required for initiating the claiming and disbursement process	Data collection
Claim checklist	Embedded in Verification Report	Internal processing
Company File	Contains information on the participating company, communication with the company and claiming activities	Internal processing, coordination & documentation
Field Verification Customer List	Contains subsample for field verification	Internal processing, coordination & documentation
Field Verification Questionnaire	Guides the field verification interview and used to document respondents answers	Data collection
Field Verification Report	Summarises consolidated results of the field verification	Internal processing, coordination & documentation
CMIS Monthly Report Template	Contains information on solar sales and is submitted by companies to EDCL monthly	Data collection
Phone Verification Customer List	Contains subsample for phone verification	Internal processing, coordination & documentation
Phone Verification Questionnaire	Guides the phone verification interview and used to document respondents answers	Data collection
Phone Verification Report	Summarises consolidated results of the phone verification	Internal processing, coordination & documentation
Results Form	Contains information on eligible customers and repossessed customers required for claiming as well as verification results	Internal processing, coordination & documentation

Subsidy Financing Agreement (i.e. Annex 3)	Signed by BRD and CCC to formalize participation in the program	Contract
Completeness Check Template for Clean Cooking Solutions	To be filled by EDCL	Carbon program registration under REMA SCF
Listing Document Template for Clean Cooking Solutions	To be filled by EDCL	Carbon program registration under REMA SCF
Methodology for Clean Cooking Solutions	Guides the calculation and monitoring of carbon emission reductions	Carbon RBF verification
Monitoring Calculation Tool	Excel sheets that provide instructions on calculation and monitoring of carbon emission reductions	Carbon RBF verification
Monitoring Report Template for Clean Cooking Solutions	Report on carbon emission reductions generated from the CCS to be verified by IVA	Carbon RBF verification

11 Environmental and Social Safeguards

The participating CCCs must follow the REF Environmental Code of Practice (ECOP) manual in relation to the clean cooking operation.

D. RBF PROGRAM REVIEW

12 Monitoring & Evaluation

To ensure that the objective of the program is being met, there will be periodic program reviews. A Review Committee, which is a sub-committee under the Clean Cooking Steering Committee, is composed of the following members who conduct field visits and monitor impact of the subsidy:

- Representative from Ministry of Infrastructure – Chairperson
- Representative from Ministry of Local Government – Vice chairperson
- Representative from EDCL – Member
- Representative of RSB - Member
- Representative from BRD CC-RBF PIU – Member
- CC-RBF project manager – Member

The Review Committee conducts annual performance review of the subsidy program or at any other time if required. BRD provides required budget for the monitoring and evaluation activity. Such a review will reflect the feedback from the PIU, the participating CCCs, market intelligence, and performance and lessons from the prior operation of the funds. One of the areas requiring careful review is the subsidy levels.

The World Bank reserves the right to conduct project monitoring at any time during the subsidy implementation period.

13 Evolvement over time

Based on the conclusions of the Review Committee, and subject to a ‘no-objection’ from the World Bank, some details in the design of the grant offering are likely to change. Such changes will be reflected in the most recent version of this OM, which will be published on the BRD website, and will be communicated to participating CCCs. However, changes that will affect the customers will be kept to a minimum as much as possible.

14 Capacity development

Subject to the availability of the budget, the CC-RBF supports number of capacity development activities such as mass-user awareness, local technician training for system repair and after sales service, project orientation, training on online-based subsidy documentation, etc.

15 Audit

The BRD and the World Bank reserve the right to conduct independent audits of the CCCs accounts related to the systems installed that have been subsidized through the EAQIP CC-RBF Program.

E. ANNEXES

Annex 1: Call for Clean Cooking Technologies for Rwanda Clean Cooking Program

[https://www.reg.rw/fileadmin/user_upload/Call for Clean Cooking Technologies.pdf](https://www.reg.rw/fileadmin/user_upload/Call_for_Clean_Cooking_Technologies.pdf)

To support implementation of Rwanda's Biomass Energy Strategy, the Government of Rwanda is collaborating with the World Bank for a clean cooking program under [the Rwanda Energy Access and Quality Improvement Project](#). The objective of the clean cooking program is to provide new or improved access to clean cooking solutions to 500,000 households by 2026. The program will set up a results-based financing (RBF) window to provide cash incentives to the private sector players to deliver qualified clean cooking solutions to eligible households. It will also provide technical assistance and capacity building to support an enabling environment for clean cooking sector development. For more information about the clean cooking program, please refer to [the Rwanda Energy Access and Quality Improvement Project appraisal document](#).

The objective of this call for clean cooking technologies is to encourage manufacturers and vendors of clean cooking technologies to submit their products as candidate technologies for evaluation. If accepted, these products will be qualified for inclusion in the Rwanda Clean Cooking Program for support and promotion such as RBF incentives, technical assistance, and public campaign.

Key Evaluation Criteria

The evaluation process will involve a set of test methods based on the methods and guidance in ISO 19867-1 and performance criteria informed by Technical Report ISO/TR 19867-3. The general testing/evaluation requirements are listed below. Additional evaluation criteria may be added according to the requirements of the Rwanda Standards Board.

Stoves and accessories using biomass fuels that require no additional processing	Meeting thermal efficiency and PM _{2.5} and CO emissions Tier 2 requirements, according to ISO VPTs*.	Evaluate for safety and durability (the expected lifetime is at least 3 years and the manufacturer's warranty at least 1 year).
Stoves and accessories using biomass fuels that may require additional processing (for example, charcoal, wood, briquettes/pellets) and/or ventilation (for example, chimney)	Meeting thermal efficiency and PM _{2.5} and CO emissions Tier 3 requirements, according to ISO VPTs; vented stoves will be assessed for fugitive emissions and efficiency.	
Stoves and accessories using modern fuels/energy, which may include LPG, biogas, ethanol, electricity (including electric rice cooker and electric pressure cooker), solar energy, pellets, or other biomass fuels	Meeting thermal efficiency and PM _{2.5} and CO emissions Tier 4 or Tier 5 requirements, according to ISO VPTs.	

*Tier 2 cooking technologies are considered as a transition technology and may be only qualified for support and promotion by the project up to December 31, 2023.

The testing and evaluation results will be communicated in private to the submitting organisation, however if the product is accepted by the project for promotion, the key performance information will be made available to the public.

The document submitted with the cooking technology must specify the source of energy to be used which should be readily available in Rwanda during project implementation and may include the following:

- Unprocessed biomass including wood
- Charcoal
- Pellets/briquettes or other types of processed biomass
- Liquid fuels
- Gas fuels
- Electricity

Domestic cooking technologies may have one or multiple burners and are expected to have adjustable (controllable) cooking power to regulate the delivery of cooking energy, and further, be able to adequately perform typical cooking tasks for rural and urban families in Rwanda. For cooking technologies that are specialized for certain cooking functions (e.g. water heating, slow cooking), the applicants must specify such functions and the relevance to Rwandan cooking practices.

The key performance indicators which will be evaluated include: cooking power, controllability (high-to-low power turn-down ratio), fuel type(s), fuel consumption (system efficiency), emissions of particulate matter (PM_{2.5}) and carbon monoxide (CO), and separate safety and durability scores. Cooking stoves fitted with a chimney to carry emissions outside the building will be assessed for fugitive PM_{2.5} and CO emissions (leakage into the home) during typical patterns of use, instead of total emissions.

Application Process

- Fill in the application form in Attachment 1.
- The application form should contain a short background statement about the applicant (individual, organization, institutions, company, etc.), relevant experience (especially ones relevant to clean cooking solution development and dissemination), interest in the clean stove market in Rwanda, and a description of the product(s) including characteristics and how they may serve the needs of the Rwandan market/consumers.
- Interested applicants should then send their application form to ECDL by email to urutagarama@edcl.reg.rw and copy to apniyibizi@edcl.reg.rw. The application form is attached to this invitation and may also be downloaded from **www.reg.rw**.
- Applicants whose application has passed the initial screening will be contacted for information on how to proceed, including the logistics for sending their product(s) to the testing centre and signing of a non-disclosure agreement (NDA). Technical drawing will be required for the product(s) tested to be eligible for the program.
- For every cooking technology invited, applicants should send 3 (three) units for evaluation, with the required fuel if the fuel is specialised.
- Applicants shall cover all costs incurred to transport the stoves to the Rwanda Standards Board's Headquarters:
PO Box: 7099 Kigali-Kicukiro,
KK 15 Rd, 49, Tel: +250 0788303492, Email: info@rsb.gov.rw
- The deadline for submitting an application is

Arriving applications will be reviewed on a rolling basis

CLEAN COOKING SOLUTIONS APPLICATION FORM

Section I APPLICANT

1. Name:

Address:

Post code (If any):

Country:

Phone:

Email:

Website (If any):

Mobile:

Profile: provide a summary of your background and activities related to clean stoves (This may be done on a separate paper not exceeding one page)

2. For this application, do you represent a company/organization/ institution/etc.?

If Yes, please fill in the following:

Company/Organization/Institution/etc.

Name of company/organization/institution/etc:

Address:

Post code:

Country:

Phone:

Fax:

Email:

Website:

Contact person:

Email:

Mobile/Cell:

Profile: provide a short description of the company/organization/institution/etc. especially those related to clean stoves (This may be done on a separate paper not exceeding one page)

3. Photo of producer/manufacturer: please provide a photo in JPG format, minimum 1 MB.

Section II PRODUCT DETAILS

Name of product:

4. Product materials: please list and describe

5. Types of product:

household stove small industry stove water boiler

6. Photo of product: please provide photos of the product from different angles (sides, top and bottom) in JPG format, minimum 1 MB for each photo.

7. Testing report: If the product has been tested by a testing lab, please feel free to share a copy of the testing results. However, it will not be guaranteed that the testing results will be used for the evaluation.

8. Energy: What types of energy sources can be used with the stove?
 - Wood: (dimension, types, moisture content)
 - Charcoal: (dimension, types moisture content)
 - Rice husk: (moisture content)
 - Sawdust: (types, moisture content)
 - Pellets: (dimension, types, moisture content)
 - Briquettes: (dimension, types, moisture content),
 - Agricultural and plantation waste: (dimension, types, moisture content).
 - Ethanol/Methanol (% content)
 - LPG
 - Biogas
 - Electricity (AC, DC, voltage)
 - Other _____

9. Product Technology Class
 - Uncontrolled draught
 - Controlled natural draught
 - Forced draught (e.g. through use of a fan, etc.)
 - Other _____

10. Product Function
 - General cooking
 - Water heating
 - Slow cooking
 - Automatic cooker (e.g. for rice, for bread)
 - Other _____

Section III FUEL AVAILABILITY

11. Is the type of fuel used in the stove available and easily accessible, and can it be easily purchased? If YES, please explain.

If NO, explain how you envision consumer access to fuel needed for the stove at an affordable price and in a sustainable manner.

12. Will you establish a fuel supply chain/distribution system? If so, describe its mechanisms.

Section IV PRODUCT AVAILABILITY

13. Is the stove in production now?

Yes No

14. How many of this exact model have been produced? _____

15. Is the stove produced on regular basis or only when you receive an order?

Regular production When requested

16. What is your production capacity?

Units per month _____ Lead time _____

17. If the stove has yet not been produced, what is your business plan if the sample stove passes the test?

18. Marketing of the stove

Has the stove ever been **sold** on the market? Yes No

If "YES" where in the market

and how many?

If "NO", has the stove been **used** or **tested** in a community/household? Yes No

If "YES" where in the market?

And how many?

19. Country of Origin – Appliance

- Rwanda
- Outside Rwanda. Please specify location: _____

20. Country of Origin – Fuel

- Rwanda
- Outside Rwanda. Please specify location: _____

Annex 2: CC RBF Application Form

The interested CCCs are required to complete a form and upload required document online through BRD website. The following information will be obtained from the CCCs.

Date of application: _____

1. Name of the clean cooking company: _____

2. Physical address: _____

3. Contact person:

Name: _____; Position: _____

Phone: _____; Email: _____

4. Bank details (provide local currency account maintained in Rwanda):

Account Name: _____; Account No.: _____

Bank Name: _____;

5. Number of staff, sales outlet and districts covered:

No. of full-time staff	
No. of part-time staff	
No. of female staff (in total) ²	
No. of sales outlets	
No. of districts covered	
Name of districts covered	

6. Product information:

Business-as-usual (un-subsidized prices), if applicable

S	Product	Tier of	Cash	PAYGO	Down-payment	Instalment	Maturity
N	name	the	price	price	amount (for	amount (for	period (for
		product	(total)	(total)	PAYGO sales)	PAYGO sales)	PAYGO sales)

Note:

- The PAYGO price refers to the total end-user price under PAYGO business model
- The Cash price refers to the current end-user price if the company realizes sales in cash
- Tier 2 Cook Stoves will not be eligible for installation after December 31, 2023

Proposed PAYGO prices under CC-RBF subsidy program

S	Product	PAYGO	Subsidy			Customer			Down payment	Instalmen	Maturity
N	name	price	amount			contribution			amount	t amount	period
		(total)	U-I	U-II	U-III	U-I	U-II	U-III			

² CCCs should have at least 10% of the workforce employed, represented by women and apply the principle of 'equal pay for equal work'.

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Note:

- The proposed total PAYGO price under the CC-RBF refers to the total price the CCC plans to charge through the combination of customer contribution and subsidy. This price is expected to be lower than the prices under business-as-usual, due to the effects of the partial upfront subsidy payment.

CC-RBF (Proposed total cash prices under subsidy program)

SN	Product name	Total Cash price	Subsidy amount			Customer contribution		
			U-I	U-II	U-III	U-I	U-II	U-III

Note:

- The proposed total cash price under the CC-RBF subsidy scheme refers to the total price the company plans to charge through the combination of customer contribution and subsidy.

7. Details of the board and management team

SN	Name	Position	Academic qualification	Years of experience	Contact email	Nationality

8. Monthly sales targeted under CC-RBF, by Ubudehe category:

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y2	Total
U-I														
U-II														
U-III														
Total														

9. Monthly sales turnover (in FRW) targeted under CC-RBF, by Ubudehe category:

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y2	Total
U-I														
U-II														
U-III														
Total														

10. Monthly subsidy amount (in FRW) targeted under CC-RBF, by Ubudehe category:

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y2	Total
U-I														
U-II														
U-III														
Total														

11. Product-wise number of connection targets under CC-RBF, for first year:

Product name	U-I	U-II	U-III	Total

Total				
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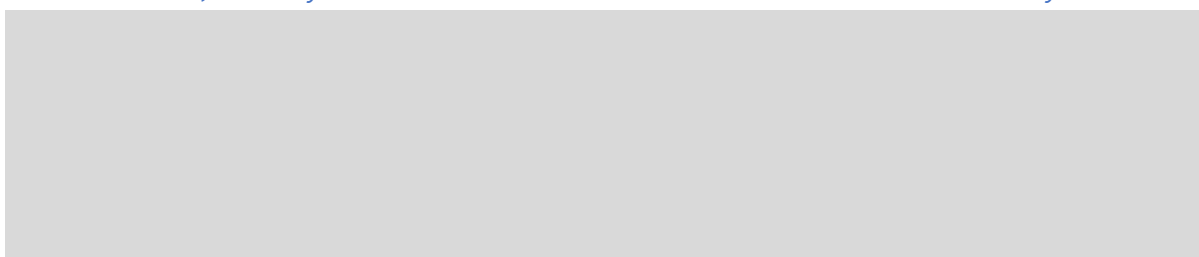
12. Upload the following documents:

- A formal letter requesting for subsidy financing under CC-RBF
- Certificate of company registration from Rwanda Development Board
- Audit report of past three financial years, Start-up companies who are not able to provide audited reports should at minimum provide management accounts;
- Tax clearance certificate from RSSB and or RRA
- CV of board members and management team
- Business plan, if available
- Copy of a valid partnership agreement signed with Energy Development Corporation Limited
- Product quality certificate from RSB or any other national quality certifying agencies
- Detailed plan demonstrating (planned) participation in CC-RBF, with targets in terms of amount of loans issued and number of connections facilitated by your company

13. Overview of the business model

Please describe your business model and how you plan to target eligible Ubudehe 1, 2 and / or 3 households with the support of the CC-RBF. Ensure that you describe step-by-step how the product moves from you to the end user and who is doing what during the process (incl. payment process). Please take into account that 1) end user eligibility needs to be verified through the eligibility assessment. Later the eligibility check will be conducted using the Eligibility Tool (once developed), and 2) subsidised sales need to be (pre-) registered using the Eligibility Tool at the time of contract signing (see FAQs for details). You may consider the following additional guiding questions when filling out this section:

- *Which Ubudehe categories will you be targeting?*
- *How are you reaching rural customers, e.g. directly through your own retail network, through cooperatives, SACCOs, micro-finance institutions, etc.?*
- *How is the relationship between your company and individuals (or other) selling your products set up? Are they your employees? Do they receive a commission per cooking technology sold? Are they employees of another organisation? Are they independent entrepreneurs?*
- *How are customers informed about using and maintaining the cooking technology? Do you follow-up with customers after the sale to sensitise them?*
- *Will customers eventually own the system, or will they only benefit from the service? If they eventually own the system, when will they own the cooking technology if payments are made in instalments? What happens when a customer stops paying the instalments? After what period do you decide to take back the system if a customer is not paying?*
- *If you are an NGO, please describe how you follow a commercial approach. If you are working with NGO, how do you assure that the sales are commercial and not subsidised by the NGO?*



14. Brief overview of IT platform currently in use (e.g. proprietary CRM platform or third-party software provider) if applicable :

15. Description of payment collection process

1. Are you planning on selling in both mobile money and in cash?
2. If you are using mobile money, which mobile money platforms? MTN Mobile Money or Airtel Mobile Money?
3. How do you connect to the mobile money provider? Do you use a technological integration? If so, is it a direct connection with the telco platform or an indirect connection through the IPN Hub or other aggregator? If it is a hosted connection, who provides the hosted connection? If no integration, how does the manual processing of mobile money payments work?
3. Where do you track your products? Through your proprietary platform or through a third-party software provider? Do you have a system to connect the products to the payments? Is it a hosted solution? ? If it is a hosted connection, and not the same as for payment collections, who provides the hosted connection?
4. What type of lockout technology, if any, does your company use (e.g. keypad, GSM etc)?
5. What type of accounting system do you use?

16. Brief overview of how you manage after-sales-service and warranty

17. Past performance

Fiscal Year	No. of stoves sold			Sales Turnover (FRW)	Remarks
	PAYGO	Cash	Tender		
2017/18					
2018/19					
2019/20					

Annex 3: Template for Grant Subsidiary Agreement between BRD and CCC

TERMS AND CONDITIONS OF THE AGREEMENT

THIS AGREEMENT is made by and between the undersigned parties:

THE DEVELOPMENT BANK OF RWANDA PLC “BRD”, a Public Company Limited by Shares, with an authorized share capital of 150,000,000,000 FRW, incorporated on August 5, 1967, company code n° 100003547, whose head office is in Kigali, Postal Office Box 1341 Kigali, hereby officially represented by [insert name of the Company Secretary] and [insert name of the CEO] Company Secretary & General Counsel and the Chief Executive Officer respectively, in accordance with the powers conferred to them by the Board of Directors, hereunder referred to as on the one part, “**Bank**” or “**BRD**”.

and;

[INSERT COMPANY NAME], a private company limited by shares, incorporated onday of [insert month] [insert year], company code n° [insert code], whose head office is at [insert official address], RWANDA, Phone number :[insert phone number], email: [insert email], hereby officially represented by **[insert name of the authorized person]**, [insert position], bearer of a national identity card No [insert card number], hereinafter referred to as the “**Clean Cooking Company**” or “**CCC**”, on other hand;

WHEREAS: (a) under a grant agreement and its amendments (“Grant Agreement”) and a loan agreement and its amendments (“Loan Agreement”) (together, “Financing Agreements”), dated, between the Republic of Rwanda (“GoR”) and the International Development Association (“World Bank”), acting as implementing entity to the Energy Access and Quality Improvement Project (“EAQIP”), the World Bank agreed to provide the GoR with a credit (Credit Number 6776-RW) and a grant (Grant Number D721-RW) and a trust fund grant (ESMAP Grant No. TF0B3589) (together, “EAQIP Financing”) to assist in financing the Rwanda Clean Cooking Results-Based Financing program (“CC-RBF”), which is described in Schedule 1 to the Financing Agreements.

WHEREAS, the World Bank has agreed, on the basis, inter alia, of the foregoing to extend the CC-RBF Financing provided under the Financing Agreements to the GoR upon the terms and conditions set forth in the Financing Agreement.

WHEREAS, the GoR delegated the responsibility for implementation and management of the Project to BRD, and, in this regard, the GoR has provided a portion of the SCF-SREP Financing to BRD for purposes of BRD implementation of the CC-RBF Project.

WHEREAS, the World Bank has entered into a Project Agreement with BRD, dated, in connection with the Financing Agreements for the EAQIP Project.

WHEREAS, BRD has agreed to implement Results-based Financing (RBF) subsidy of the EAQIP Project, in accordance to the Operations Manual.

WHEREAS, BRD having satisfied itself as to the eligibility of CCC to participate in the implementation of Component 3b of the EAQIP Project, in accordance with the Operations Manual, has offered CCC to assist in the implementation of the Component 3b of the EAQIP Project;

WHEREAS, the CCC has agreed in the implementation of Component 3b of the EAQIP Project under the terms and conditions set forth in this Agreement and in accordance with the Operations Manual. BRD and the CCC hereby agree as follows:

ARTICLE 1: DEFINITIONS

- 1.1 **Cash Sales:** If the CCC collects one hundred percent of the customer contribution upon STOVE installation. The partial collection will be considered as PAYGO/credit sales.
- 1.2 **Eligibility criteria:** As defined in the Article 7 of this Agreement;
- 1.3 **Eligibility Tool:** A web-based platform to be used (once developed) by CCCs to assess the eligibility of Targeted Households and to (pre-) register sales. The CCC will assess the eligibility of the Targeted Households (mainly the Ubudehe status) by asking the households themselves until the Eligibility Tool is fully operational;
- 1.4 **Eligible CCCs:** Locally registered Clean Cooking Companies who fulfil the Eligibility Criteria as defined in the Component 3b Operations Manual for participation in RBF Subsidy;
- 1.5 **Emission reductions:** Shall include all existing and future legal and beneficial rights arising from greenhouse gas reductions, avoidance or sequestration as created and measured in accordance with a methodology acceptable to the World Bank.
- 1.6 **End-user Price:** After subsidized price of a clean cooking technology offered by the CCC to Targeted Households;
- 1.7 **Off-grid Monitoring Information System:** A platform managed by Energy Development Corporation Limited to track the progress in off-grid electrification and clean cooking;
- 1.8 **PAYGO Software:** A platform hosted by CCC for the management of their clean cooking business;
- 1.9 **Repossessed System:** A stove or cooking solution repossessed by CCC or Participating Financial Institutions from the Targeted Household;
- 1.10 **Results-based Financing Subsidy:** Amount to be received from the BRD by [insert CCC name], in accordance to disbursement conditions set forth in Component 3b Operations Manual. The [insert CCC name] will receive the subsidy amount on behalf of final beneficiary households and micro-entrepreneurs;
- 1.11 **Clean Cooking Product:** A cooking stove or technology that complies with the CC-RBF technical performance criteria as confirmed by Rwanda Standard Board (RSB)'s stove testing laboratory and has been included in the CC-RBF eligible clean cooking technologies list managed by EDCL;
- 1.12 **Targeted Households:** Ubudehe I, Ubudehe II and Ubudehe III households eligible for subsidy and resides in rural and urban areas;

ARTICLE 2: PURPOSE OF THE AGREEMENT

The Agreement is meant to layout the roles and responsibilities of the parties in regard to the eligibility, implementation and claim process of the subsidy under Clean Cooking Results-based Financing (CC-RBF) project. The subsidy is designed to help achieve the GoR's target to provide affordable clean cooking solutions for all Rwandans. The CC-RBF subsidy targets to address the affordability challenge of Targeted Households, to ensure the subsidy is passed on from the CCCs to the Targeted Households.

ARTICLE 3: SUBSIDY FACILITY AMOUNT

The Results-based Financing subsidy facility amount in the Agreement is a sum of [insert amount, in words] (FRW.....in figures) to be disbursed in accordance with the subsidy disbursement schedule as set out in this Agreement. BRD and CCC agreed on the agreement amount as per the proposal submitted by the CCC and evaluation conducted by BRD. Based on the progress over time and based on the utilization of the agreement amount, BRD shall have the right to reduce the agreement amount or accept additional request. This review shall take place every 6 months.

ARTICLE 4: TERM

The Agreement shall be valid for one (1) year from the date of signature by both Parties. The Agreement shall be may be renewed on satisfactory performance and fulfilment of the CC-RBF eligibility criteria at all times in form and substance to the satisfaction of the Bank.

ARTICLE 5: CCC RIGHTS AND OBLIGATIONS

During the course of this agreement, and for a specified period after where applicable, the CCC shall;

- 5.1. carry out its project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to BRD, including in accordance with the provisions of:
 1. the World Bank Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Final Beneficiary; and
 2. the World Bank safeguards instruments required for the project as set out in the Operations Manual.
 3. Rwandan environmental standards
- 5.2. Provide, promptly as needed, all the relevant information and documentation.
- 5.3. Maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to BRD or the World Bank, the process of the project and the achievement of its objectives:
 1. maintain a financial management system and prepare financial statements, both in a manner adequate to reflect the operations, resources and expenditures related to the project; and
 2. at the request of the World Bank or BRD, as the case may be, have such financial statements audited by independent auditors acceptable to the World Bank
- 5.4. Enable the World Bank or BRD, as case may be, to inspect the project, its operation and any relevant records and documents; and
- 5.5. Prepare and furnish to the World Bank or BRD, as the case may be, all such information as the World Bank or BRD, shall reasonably request relating to the foregoing.
- 5.6. Fulfil eligibility criteria at all times. Failure in fulfilment of eligibility criteria may result in immediate termination of the Agreement.
- 5.7. Agrees not to claim any carbon emission reductions generated through the clean Cook Stoves installed under CC-RBF subsidy. In consideration of the subsidy provided under this Agreement, the CCC agrees to enter into a subsequent agreement with BRD as soon as practicable, but in any event no later than eighteen (18) months from the effective date of this Agreement (unless otherwise agreed by the Parties). The above-mentioned agreement will cover the transfer of emission reductions generated by the project subject to this Agreement or generated as a result of or in connection with this Agreement. The transfer

will be made to BRD by the CCC, without additional payments and on terms and conditions approved in advance by the World Bank.

- 5.8. Pay all taxes, duties, and levies relating to this project.
- 5.9. Shall not charge the prices of Clean Cooking agreed herein without prior consent of BRD
- 5.10. The CCC must present a non-subsidized PAYGO and also a non-subsidized cash sales price. The subsidy amount should be deducted from the subsidized PAYGO or cash price, depending on the business model and the timing for subsidy disbursement. The Subsidy should thus be used to reduce end-user pricing and the CCC must apply the new pricing scheme (compared to non-subsidized price, if applicable) submitted to BRD as part of the application process. The CCC should adhere with the price stated in Table in **Annex ...**
- 5.11. The OSC shall provide “after sale services” and perform such services in a period of thirty (12) months counted from the date of successful installation and connection of CC duly approved by EDCL. CCC shall provide repair and maintenance services of CC and to deliver spare parts quickly during the Warranty period at no cost to the Beneficiaries.

ARTICLE 6: BRD RIGHTS AND OBLIGATIONS

- 6.1. BRD shall charge CCC a service fee of 4% of the total subsidy amount plus 18% VAT. The fee shall be charged based on the disbursed subsidy amount to the CCC.
- 6.2. The BRD shall have right to audit financials of the CCC that are related to subsidy transactions.
- 6.3. The BRD shall disburse the subsidy in accordance with the disbursement conditions set forth in Article on subsidy disbursement or CC-RBF Operations Manual. Each disbursement shall be done against the approved verification reports submitted to BRD by the Energy Development Corporation Limited (EDCL).
- 6.4. The BRD shall Suspend or terminate the right of the CCC to participate in CC-RBF, upon the CCC’s failure to perform any of its obligations under the Operations Manual and this Agreement.
- 6.5. The BRD shall cancel or revise the Subsidy Facility Amount allocated to the CCC (as per Article 3) if the CCC does not show any progress within 6 months after signing this Agreement.

ARTICLE 7: SUBSIDY LEVELS

The CCC should fully pass on the subsidy to final beneficiary households. The subsidy levels are progressive, depending on the Ubudehe level of the household. The lower the Ubudehe category, the higher the subsidy. Kindly refer to **Annex ...** for subsidy level per Ubudehe.

ARTICLE 8: SUBSIDY DISBURSEMENT

- 8.1. The subsidy shall be paid in 3 Instalments, irrespective of business models (cash or PAYGO sales). 50% of the subsidy amount shall be disbursed upon successful verification of CCC’s sales report with user contact information. 40% of the subsidy amount shall be disbursed after independent verification of stove usages, 3 months after the installation. The remaining 10% shall be disbursed upon verified adequate customer service for 1 year and 100% customer contribution. Kindly refer to **Annex ...** for subsidy disbursement schedule.
- 8.2. The BRD shall disburse the subsidy amount on the basis of the written reports from EDCL and in accordance to the CC-RBF Operations Manual.

- 8.3. The verification for each subsidy instalment shall be done as per the procedure established in the CC-RBF Operations Manual.
- 8.4. The CCC, at the time of subsidy claim, will report to EDCL the amount of subsidy claimed under a. cash sales and b. PAYGO sales.

ARTICLE 9: CLAIM SUBMISSION

- 9.1. The CCC shall sell the CC at Targeted Households and submit a claim to EDCL for the subsidy. The CCC can submit a maximum of two claims per quarter in the event the company has more than 500 customers reaching the disbursement milestone, with exception for all outstanding claims submitted after the effective date of termination of this Agreement. All outstanding instalment claims submitted after the effective termination date maybe submitted without meeting the 500 customers disbursement milestone.
- 9.2. The CCC should submit a claim in accordance with the Claim Form (**Annex ..**). Moreover, the CCC should use the Claim Form to collect and report payment data on each customer.
- 9.3. The CCC shall submit the following information of Targeted Household along with Claim Form:
 - Name and Ubudehe category of the customer
 - National identification number of the customer
 - Date of installation
 - Type of the customer (PAYGO or cash)
 - Phone number of the customer
 - Milestone achieved: 1, 2 or 3
 - Product type and serial number
 - Unique customer ID number (for PAYGO customer)
 - Total sales price
 - Total customer contribution to date. The customers should pay their contribution only through a trackable payment system such as Mobile Money, cheque or bank transfer. In cases where the CCC is dealing with clients that do not own a telephone set, payments can be made on cash basis but the CCC should issue a receipt showing all the details of the sale for the stove including subsidy amounts among others to the client and keep a copy.
 - Raw payments data (including date and time of each transaction, amount per transaction, type of payment account and account number)
- 9.4. The CCC shall submit the following information through CCC Monthly Report or Claim Form:
 - Sales date
 - Name and gender of the customer
 - Household size
 - National identification number of the customer
 - Phone number of the customer or another contact
 - The product name and model number
 - Date of installation
 - Sales/service contracts that includes agreed end-user price of CC, number of agreed Instalments and Instalment amount
 - Location of the household (i.e. village, cell, sector, district) with GIS coordinates
 - Customer status (active, paid off)

- Repossession date (with customer ID, if applicable)
- 9.5. If applicable, the CCC shall provide access to its PAYGO software to EDCL to validate the information provided above. The CCC shall eventually be required to integrate its PAYGO software with the CMIS platform for real-time information on CC sales and performance. This condition will be applied to those companies who maintain PAYGO software or IT platform related to delayed payment.
- 9.6. Once the Claim is submitted, EDCL shall conduct the verification and submit a recommendation to BRD for subsidy disbursement. The verification and disbursement shall be in accordance with the procedures set on the Operations Manual.
- 9.7. Any claims should be submitted before September 2025

ARTICLE 10: CAPPING OF SUBSIDY

- 10.1. BRD shall cap the subsidy fund (Agreement Amount) approved under this Agreement for the CCC. Based on progress of the CCC over time, BRD shall reduce the capped amount or accept additional fund requests (noting that any review of additional funding requests will take into account the CCC's progress on already capped funds). This review shall take place at least every 6 months.
- 10.2. Once the CCC has received the first instalment subsidy payment for a given customer, the remaining subsidy for this particular customer shall also be earmarked by the CCC for the applicable customer, unless it is confirmed that the customer is not going to continue paying its contribution. The CCC should pool back the remaining subsidy amount already earmarked for a particular customer into the main basket after a. CCC formally reports such default case to EDCL; b. CCC formally writes off customer's remaining payment as bad debt; and or c. EDCL verification confirms that the particular customer is not eligible for subsidy disbursement. Both parties agree that the repossessed Cook Stoves, that are refurbished and redeployed shall not be eligible for any further subsidies under this Agreement or Rwanda Energy Access and Quality Improvement Project.
- 10.3. This earmarking shall ensure the availability of funds that will be needed to complete the full subsidy payment for each customer over a 1-year period.

ARTICLE 11: CCC ELIGIBILITY CRITERIA

- 11.1. All CCC business models are eligible. The subsidy levels per Ubudehe category shall be the same as per the subsidy levels provision of this Agreement regardless of the CCC business model. The CCC shall always comply with the following eligibility criteria at all times:
- **Licensed with adequate ownership structure.** CCC should be registered in Rwanda and duly licensed (with identification number assigned by tax authorities) and in full compliance with relevant national regulations pertaining to tax, legal, and accounting norms. The owners and managers of the enterprise must be fit and proper.
 - **Agreement with EDCL:** CCC must have a valid Cooperation agreement with EDCL. The CCC and EDCL sign cooperation agreement in order to fulfill their common goals and mutual responsibilities towards increasing access to clean cooking technologies in Rwanda.

- **Adequate funding.** CCC should have a defined funding strategy with no obvious gaps or constraints on additional funding.
- **Satisfactory end-user pricing scheme:** CCC must demonstrate how and to what extent the end-user will directly benefit from the subsidy.
- **Quality of operations.** CCC should have a sound business plan with proven resources to efficiently carry out operations at the functional level, including organization, management, staff, financial and others.
- **Quality products.** CCC should be selling clean cooking product that is in the CC-RBF eligible clean cooking technologies list managed by EDCL.
- **Warranty and after-sales service.** CCC must offer a warranty for at least one year and have an established and active aftersales service capability, and operations.
- **Adequate accounting systems and management information and well-organized IT support.** CCC should have good accounting, bookkeeping, management and adequate system software support. This criterion is not mandatory for the companies who are involved in cash sales.
- **Gender quotas:** CCC should have at least 10% of the workforce employed, represented by women, and be able to demonstrate that they apply the principle of 'equal pay for equal work'.

11.2. Whenever the CCC deviates from the eligibility criteria and the stipulated roles and responsibilities, a credible commitment in the form of a time-bound action plan needs to be prepared by the CCC and submitted to EDCL and BRD. EDCL, BRD and the World Bank team shall closely monitor the performance. The CCC cannot submit subsidy claim until the eligibility criteria have been met again.

ARTICLE 12: BENEFICIARY COMPLAINT

- 12.1. The CCC is required to set up a beneficiary complain hotline. The hotline will serve as recourse for customers who are experiencing system problems and after-sales service. CCC technicians are required to fix the problem within 2 weeks after the complaint is registered.
- 12.2. If the beneficiary household does not receive service within 2 weeks, they can contact EDCL and register the complaint. The EDCL takes note and informs CCC about the complaint.

ARTICLE 13: BASIC CUSTOMER AWARENESS

- 13.1. The CCC shall provide a basic awareness to beneficiary households on a) proper handling of the system; b) conditions for warranty/guarantee; c) basic features of the system; d) benefits; e) regular cleaning of the stove or device; f) contact information for after-sales-service; g) amount of customer contribution and payments terms etc. The Agreement advises CCC to provide an information brochure (User Manual) containing the basic information and proper handling the system.

ARTICLE 14: IMPLEMENTATION TOOLS AND PLATFORMS

- 14.1. *Eligibility Tool:* The CCC shall use Eligibility Tool (once available), a web-based tool managed by EDCL, for customer eligibility check, pre-registration and sales confirmation. Once the ET is fully functional, it shall allow:
- CCC to check the eligibility of potential customers based on the predefined customer eligibility criteria (eligibility check);

- To pre-register a sale once the eligibility of a customer is confirmed and both the customer and CCC agent agree to move forward with the sale (pre-registration);
 - CCC to register a sale once the CC is installed to ensure that households benefit from only one subsidized system (sales registration/confirmation).
- 14.2. The ET will be linked to the CleanCook Management Information System (CCMIS) and the CCMIS will be linked to *Monitoring & Evaluation Information System* (MEIS), managed by the Local Administrative Entities Development Agency (LODA). The ET will provide information on eligibility status, national IDs, household IDs and Ubudehe categories. Linking CCMIS, the LODA MEIS and the ET ensures that the demographic data required shall be as up-to-date as possible, sales are being tracked accurately and monitoring is streamlined.
- 14.3. *CCC PAYGO platform:* The CCC shall record payment transactions on its PAYGO platform, if applicable, and share these payment records with EDCL and BRD (either manually or through API linking platforms). These payment records shall be used for the verification and subsidy disbursement process.
- 14.4. *Mobile Money platform:* The CCC shall accept payments from customers using mobile money platforms offered by mobile network operators. These platforms give CCC a digital record of all payments by customers, including the time, the amount, and the phone number of the payment sender. If applicable, CCC shall sign an information-sharing agreement with the mobile network operator and EDCL to share payment data. The data may also be supplied by a 3rd party platform.
- 14.5. The payment data supplied by mobile money platforms shall be used by EDCL for customer's payment verification. It is required for 2nd and 3rd Instalment subsidy disbursement.
- 14.6. *Sales Contract:* The CCC should sign a Sales Contract with its customer. The Sales Contract should include a self-declaration statement from the customer declaring that the information provided (including Ubudehe category) is true and accurate. The customer should also declare that his/her family has never purchased clean Cook Stove in the past. The template of Sales Contract is provided on **Annex**

ARTICLE 15: SUSPENSION

- 15.1. Whenever an CCC deviates from the eligibility criteria and the stipulated roles and responsibilities, a credible commitment in the form of a time-bound action plan needs to be prepared by the CCC and approved by EDCL and BRD. EDCL, BRD and the World Bank team shall closely monitor the performance against the time-bound action plan. BRD reserves the right to suspend an CCC's participation in the program if the eligibility criteria remain unfilled and performance against the action plan (subject to World Bank non-objection), which would lead to automatic rejection of any subsidy claims.
- 15.2. The CCC may be penalized and its right to participate in CC-RBF may be suspended in the following conditions:
- Subsidy claimed without selling the clean cooking product
 - The system is found to be installed in another place than the prescribed

- Technical specification of the clean cooking product is different than initially submitted in the claim
- The document provided is found to be different than initially submitted in the claim
- The clean cooking product is not compliant with the CC-RBF technical performance criteria and not included in the eligible clean cooking technologies list managed by EDCL.
- The submitted payment proof is invalid

ARTICLE 16: EVENTS OF DEFAULT

- 16.1. Misrepresentation;
- 16.2. Any breach of any of the conditions and obligations relating to this agreement;
- 16.3. Material adverse change in the, management, business, control of the business or financial position of the CCC;
- 16.4. Qualified report by the auditor of the CCC's financial statements
- 16.5. Nationalization of the project or the CCC
- 16.6. Seizure of CCC's assets by third parties due to unfilled or unsettled by obligations by CCC
- 16.7. Expropriation of the project
- 16.8. Suspension or abandonment of the project by CCC for maximum period of 30 days.
- 16.9. Dissolution of the CCC
- 16.10. Commencement of judicial bankruptcy or insolvency proceedings.
- 16.11. Repudiation or challenge of administrative documents of the project
- 16.12. Cancellation or removal of authorizations necessary for the CCC to implement the project.

ARTICLE 17: REMEDIES TO EVENTS OF DEFAULT

If the CCC fails or is unable to remedy such default within thirty (30) days of receipt of written notice thereof from the BRD, the latter shall reserve the right to terminate the Agreement and initiate legal proceedings against CCC.

ARTICLE 18: FOLLOW-UP

During the entire period of the Agreement, the CCC shall, at any moment, allow BRD to have access to the location of the CC product installed for any information on how the subsidy is being utilized.

ARTICLE 19: REPORTING

- 19.1. The CCC shall submit on a quarterly basis reports on the performance of the subsidy to BRD;
- 19.2. The CCC shall provide any information on his business and/or operation requested for by BRD in support of its project;
- 19.3. Submission of financial reports is an integral part of the conditions for funding and failure to produce the required reports on due date will constitute a breach of this Agreement.

ARTICLE 20: LIABILITY AND PENALTIES FOR DELAY TO CORRECT MISTAKES

- 20.1. Each party shall be liable to fully indemnify, defend and hold harmless the other party for and against all and any losses or damages suffered or incurred (whether directly or indirectly) caused by or as a result of other party's negligence or any form of breach of this Agreement or as a result of damages caused by either party's employees.

- 20.2. If it is found out that contract activities were poorly executed such that some of them are defective or are not in conformity with the requirements of this contract, the CCC corrects such mistakes or replaces the supplies delivered that did not conform to what was required within a period not exceeding fifteen (15) days starting from the date of reception of the request, or otherwise incurs delay penalties for each day of delay. For the first seven (7) days of delay, the CCC incurs a penalty of one thousandth (1/1000) of the value of the item that has been reported to be defective or does not conform to the requirement of this contract. If that period expires, the CCC in addition incurs one thousandth (1/1000) of the value of the item for each day of delay up to the time when he/she corrects or replaces the defective item in accordance with the requirements of this contract.
- 20.3. Money deducted as penalties for delaying in executing activities or for poorly executed activities is deducted from the amount of the approved invoices or claims for subsidy due for payment. If value of the penalties for delaying executing activities or for poorly executed activities or both, exceeds the value of approved claims for subsidy, the contract will be automatically cancelled and CCC will be held responsible for any loss incurred by BRD.

ARTICLE 21: OFFICIAL ADDRESS

- 21.1. **The BRD:** at its head office in Nyarugenge district, P.O. Box 1341, Kigali city- Rwanda.
- 21.2. **The CCC:** Village, Cell, Sector, District,

ARTICLE 22: TERMINATION

22.1. BY BRD

BRD may terminate this Agreement, by not less than thirty (30) days' written notice of termination to the CCC, to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause and sixty (60) days' in the case of the event referred to in (e):

- (a) if the CCC does not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as BRD may have subsequently approved in writing.
- (b) if the CCC become insolvent or bankrupt.
- (c) if, as the result of Force Majeure, the CCC are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the CCC, in the judgment of BRD has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause:
 "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.
 "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of BRD, and includes collusive practice among CCC (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive BRD of the benefits of free and open competition.
- (e) if BRD, in its sole discretion, decides to terminate this Contract.

22.2. BY THE CCC

The CCC may terminate this Agreement, by not less than thirty (30) days' written notice to BRD, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this clause:

- (a) if BRD fails to pay any monies due to the CCC pursuant to this Contract and not subject to dispute in sixty (60) days after receiving written notice from the CCC that such payment is overdue; or
- (b) if, as the result of Force Majeure, the CCC are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

22.3. PAYMENT UPON TERMINATION

Upon termination of this Agreement pursuant to term clause in this Agreement, BRD shall make payments to the CCC for Clean Cook Stove satisfactorily supplied and installed prior to the effective date of termination. Payments will continue to be made after the one (1) year term of the Agreement, provided they are not a 1st instalment claim, with exception of 1st instalment claims in relation to Clean Cook Stoves supplied and installed before the effective date of termination. The effective date of termination will be exactly 12 months from the date of signature of this Agreement.

22.4 SURVIVAL

The parties' rights and obligations under this Agreement will survive the termination of this Agreement, if applicable, to the extent that no new claims will be honored if such claims are in regard to installations or sales made after the effective date of termination.

ARTICLE 23: LANGUAGE

All notices, correspondence, documentation or communications of whatsoever nature, reports submitted or prepared under or in connection with this Agreement shall be in English language.

ARTICLE 24: CONFIDENTIALITY

CCC and BRD shall not reveal to a person or unauthorized entity any confidential information obtained during the execution neither of the services nor to make public any conclusion or recommendation relating to the services without prior written consent from the other Party to this agreement.

ARTICLE 25: FORCE MAJEURE

- 25.1. Neither Party will be responsible for failure of performance due to causes beyond its control, including: pandemics, epidemics, acts of God or nature; labor disputes; sovereign acts of any federal, state or foreign governments; network and/or computer failure or shortage of supplied materials ("Force Majeure Event"); provided that the affected Party makes a reasonable attempt to remove the impact of the Force Majeure Event as soon as reasonably possible. Either Party will have the right to terminate this Agreement upon written notice if a force majeure occurrence continues to impact performance of the other Party for more than sixty (60) consecutive days.

ARTICLE 26: CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

- 26.1. The following documents shall constitute the Contract Documents between BRD and the CCC, and each shall be read and construed as an integral part of the Contract:
 - (i) This Agreement, including the Annexes and notifications hereunder.
 - (ii) The CC-RBF Operations Manual and its amendments
 - (iii) The CCC's submitted technical and financial proposals as accepted by BRD.

26.2. In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed above.

ARTICLE 27: ENTIRE AGREEMENT

This Agreement contains the entire agreement and understanding between the parties, superseding all prior contemporaneous communications, representations, agreements, and understandings, oral or written, between the parties with respect to the subject matter hereof. This Agreement may not be modified in any manner except by written amendment executed by each party hereto.

ARTICLE 28: APPLICABLE LAW, SEVERABILITY, RESOLUTION OF DISPUTES AND JURISDICTION

28.1. The present contract is governed by the laws of the Republic of Rwanda. If a provision of this agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability in that jurisdiction of any other provision of this Agreement; or the validity or enforceability in other jurisdictions of that provision or any other provision of this Agreement.

28.2. All disputes related to the performance of this agreement shall be settled amicably. In case of failure of amicable settlement, they will be referred to Rwandan competent courts.

ARTICLE 29: TAKING EFFECT

This agreement takes effect from the date of its signature.

Done in three original copies, Kigali, on

For the BRD

.....
Company Secretary & General Counsel

.....
Chief Executive Officer

For the CCC

.....
Managing Director

ANNEX TO GRANT SUBSIDIARY AGREEMENT

ANNEX A: THE CC-RBF END-USER PRICING SCHEME

Table 1: End-user Price (after subsidy)

Product name	Final price to the end-user (under PAYGO)			Final price to the end-user (under Cash)		
	<i>U-1</i>	<i>U-2</i>	<i>U-3</i>	<i>U-1</i>	<i>U-2</i>	<i>U-3</i>

- The CCC shall be allowed to charge final end-user not more than the price provided on Table 1. The price is exclusive of the RBF subsidy amount.
- The CCC shall have no right to revise the price without prior approval of BRD. The mutual consultation with BRD is required in order to ensure that the CCC has fully passed on the subsidy amount to final beneficiary.
- The CCC at anytime can propose the new product, new business model, etc. The price for the new product shall be agreed in consultation with the BRD.
- If the CC sales CC through local financial institutions (SACCO, microfinance institutions, etc.), the CCC shall charge price not more than “under cash” scheme, because the sales through financial institutions is considered as cash sales.
- U-1, U-2, and U-3 represent Ubudehe 1, Ubudehe 2, and Ubudehe 3 households respectively.

Table 2: End-user Price (total price, including subsidy)

Product name	Final price to the end-user (under PAYGO)			Final price to the end-user (under Cash)		
	<i>U-1</i>	<i>U-2</i>	<i>U-3</i>	<i>U-1</i>	<i>U-2</i>	<i>U-3</i>

ANNEX B: SUBSIDY LEVELS, PER UBUDEHE CATEGORY

Table3: Subsidy levels per Ubudehe and tier

Tier Rating ³	Stove cost reference RWF	Ubudehe Category	Maximum Percentage Coverage of Cost (%)	Maximum Eligible RBF Amount RWF
Tier 5	70,000-100,000	1	90%	86,000
		2	70%	67,000
		3	45%	43,000
Tier 4	45,000-70,000	1	90%	60,000
		2	70%	47,000
		3	45%	30,000
Tier 3	30,000-45,000	1	90%	38,000
		2	70%	30,000
		3	45%	19,000
Tier 2	20,000-28,000	1	90%	24,000
		2	70%	19,000

For example, a CCC sold a customer in the Ubudehe 2 category for a Tier 4 stove that has an end-user price of RWF 70,000. The maximum percentage coverage of cost in this case is 70%. The relative maximum eligible RBF amount is $70,000 \times 70\% = \text{RWF } 49,000$, which is higher than the absolute maximum eligible RBF RWF 47,000. The lower amount will be selected and the customer will be eligible for the maximum RWF 47,000 RBF subsidy.

Conversely, if a CCC sold a customer in the Ubudehe 1 category for a Tier 3 stove with an initial end-user price of RWF 30,000, the customer will be eligible for a 90% subsidy, which is $\text{RWF } 27,000$ ($30,000 \times 90\% = \text{FRW } 27,000$) lower than the maximum absolute subsidy level of RWF 38,000 for Ubudehe 1. In this case, the relative subsidy level (%) applies and not absolute subsidy (RWF) since the former has a lower value.

Subsidy levels will be regularly reviewed to reflect market changes and to ensure sustainability of the program. The value of the subsidy paid per system may thus reduce over the life of the program, to a nominal level during the final period of the program. For customers already included in the CC-RBF program, subsidy levels at the time of sales registration will be honoured until the completion of the subsidy payment even if the subsidy levels for new customers changes over time.

The per Ubudehe subsidy level shall be disbursed based on the household eligibility criteria:

- The CC-RBF subsidy will be provided only to Ubudehe 1, 2, and 3 households. Ubudehe 3 households are eligible for CC-RBF subsidy to support households to access technologies

³ Tier rating will be determined by the stove testing lab under RSB based on the performance criteria on efficiency, emissions, durability, and safety.

that qualify under tier 3, 4 and tier 5 clean cooking technologies. Households eligible for Tier 2 stoves will be supported up to December 31, 2023, when it is expected that clean cooking companies of these solutions will have been supported to improve their technologies towards higher Tier solutions.

- The CC-RBF subsidy will only be provided to a household once.
- Each household is eligible for a double burner or two single burner cooking set up.
- Households currently benefitting from other stove subsidy (i.e. grants that lowers end-user pricing) programs are not eligible for CC-RBF subsidy.
- Households already fully using a clean Cook Stove without stacking (i.e. using a traditional stove) at the time of registration, are not eligible for the CC-RBF subsidy.

Currently, the households in Ubudehe 1 and Ubudehe 2 could be eligible to purchase LPG appliances. An extensive due diligence will be conducted by CCCs to ensure the impact and sustainability of LPG Cook appliances subsidy to Ubudehe 1 and Ubudehe 2 households is ensured. The due diligence will assess Ubudehe 1 and Ubudehe 2 households' willingness and capacity to pay for LPG fuel before these households are allowed to purchase the subsidized LPG appliances under this program.

ANNEX C: SUBSIDY DISBURSEMENT SCHEDULE

Table 4: Subsidy disbursement schedule for PAYGO/credit sales

Disbursement	Condition	Ubudehe I	Ubudehe II	Ubudehe III
1 st Instalment	Upon successful verification of CCC's claim/sales report with user contact information	50%	50%	50%
2 nd Instalment	Upon independent verification of stove usages, 3 months after the sale of the stove	40%	40%	40%
3 rd Instalment	Upon independent verification of stove usages, 1 year after the sale of the stove	10%	10%	10%
Total subsidy		100%	100%	100%

Table 5: Subsidy disbursement schedule for cash sales

Disbursement	Condition	Ubudehe I	Ubudehe II	Ubudehe III
1 st Instalment	Upon successful verification of CCC's claim/sales report with user contact information	80%	80%	80%
2 nd Instalment	Upon verified adequate customer service, after 1 year	20%	20%	20%
Total subsidy		100%	100%	100%

ANNEX E: TEMPLATE OF SALES CONTRACT

(Provided in Annex 5 of this Operations Manual)

Annex 4: Claim Form

Clean Cooking Results-Based Financing Program

Claim Form

To be completed and submitted by participating CCC to EDCL with a copy to BRD

1. RBF claim details

Company name:		
Claim number:	Claim date	[DD/MM/YYYY]
Claim period:	From [DD/MM/YYYY]	to [DD/MM/YYYY]
Claim amount:	[RWF]	
Remaining subsidy amount (as per Agreement with BRD):	RWF	

2. Summary of the subsidy claim

Tier 2 Products

Ubudehe category	Milestone claimed	# of claims (customers)		Total subsidy claimed (FRW)		
		PAYGO	Cash	PAYGO	Cash	Total
Ubudehe 1	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Ubudehe 2	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Sub-total						

NB: For cash sales, the subsidy will be disbursed only in two Instalments: Upon sales (1st Instalment) and after one year (2nd Instalment).

Tier 3 Products

Ubudehe category	Milestone claimed	# of claims (customers)		Total subsidy claimed (FRW)		
		PAYGO	Cash	PAYGO	Cash	Total
Ubudehe 1	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Ubudehe 2	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Sub-total						

Tier 4 Products

Ubudehe category	Milestone claimed	# of claims (customers)		Total subsidy claimed (FRW)		
		PAYGO	Cash	PAYGO	Cash	Total
Ubudehe 1	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Ubudehe 2	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Ubudehe 3	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Sub-total						

Tier 5 Products

Ubudehe category	Milestone claimed	# of claims (customers)		Total subsidy claimed (FRW)		
		PAYGO	Cash	PAYGO	Cash	Total
Ubudehe 1	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Ubudehe 2	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Ubudehe 3	1 st Instalment					
	2 nd Instalment					
	3 rd Instalment		NA		NA	
Sub-total						

5. Certification

I, *[names]*, *[Title]* of *[name of the company]*, by signing this Claim Form and the attached list of customers on behalf of *[name of the company]* certify that all information contained herein is accurate and truthful. I understand that any willful misstatement described herein will lead to the disqualification from the CC RBF Program and will result in a claim by BRD for the return of any subsidy provided based on result claims affected by the fraud, and may be prosecuted by judicial means.

[Signature]

[Seal]

[Name and Title]

Annex 4.1: Clean Cook Stove sales and claim details,

(To be submitted in Microsoft Excel, with the Claim Form. Excel template will be provided)

SN	Date of sales	Customer national ID #	Customer name	Mobile number	Address (district, sector, cell)	Ubudehe category	Baseline cooking fuel	Product tier	Product name	Sales price (FRW)	Subsidy amount (FRW)	Customer contribution (RWF)	Milestone reached (I, II or III)	Claim amount (RWF)	Remaining subsidy (RWF)

Add other rows

Prepared by:

Checked by:

Approved by:

Date of claim:

- SN: Clean cooking product serial number which should include XX (CCC company initial)-XX(clean cooking product acronym)-six digit number
- Date of sales: The date when the sales was made to the customer
- National ID: The National Identification Number of the customer
- Ubudehe category: Provide respective Ubudehe status of the customer i.e. Ubudehe 1, Ubudehe 2 or Ubudehe 3
- Baseline cooking fuel: Provide customer’s primary cooking fuel type before purchasing the clean Cook Stove, e.g. wood, charcoal, pellets, LPG, biogas, electricity, ethanal, other (specify)
- Product tier: Tier of the product sold to the customer (Tier 2, Tier 3, Tier 4, or Tier 5)
- Product name: Name of the clean Cook Stove product. Different products with different price can be available under the same tier
- Sales price (RWF): Provide the final price of the product (in RWF) you sold to the customer, including subsidy amount.
- Subsidy amount (RWF): Provide total subsidy amount the particular customer is eligible for, as per Operations Manual
- Claim amount (RWF): Provide the amount (in RWF) you claim during this claim period.
- Remaining subsidy: Provide the unclaimed subsidy amount, i.e. total subsidy minus total claim (including previously claimed) amount

Annex 5: Template of Sales Contract (in Kinyarwanda)

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Igihe cyo gukurikirana imikorere y’amashyiga (after-sale-service)									Icyiciro cy’amashyiga (Thermal efficiency Tier):																																																	
Igihe cya garanti (Warranty period)									Icyiciro cy’amashyiga (CO Emission Tier):																																																	
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Ayandi mabwiriza																																																											
Uhawe amashyiga			Yemeye kuyafata neza no kuyakoresha, kutayagurisha cg ngo ayatangemo impano, kwishyura uruhare rwe ku buryo bwumvikanweho hejuru, kutagira andi mashyiga afata yahawe inkunga.																																																								
Utanze amashyiga			Gusobanurira uhawe amashyiga neza ibigendanya n’amabwiriza ya Programu																																																								

Ndemeza ko amakuru ntanze yuzuye kandi ari ukuri harimo n’ajyanye n’icyiciro cy’ubudehe ndimo. Ndemeza kandi ko yaba jye ndetse n’urugo rwanjye tutigeze tugura andi mashyiga ku nkunga iyo ari yo yose. Ndemeza kandi ko igihe naba ntanze amakuru Atari yo nabihanirwa.

Amazina n’umukono by’uhawe amashyiga:

Annex 5: Template of Sales Contract (in English)

Customer Code:

Province:	District:	Sector:	Cell:
Village:		Coordinates X:	Y:

The names of the recipient of the stove																																														
ID number								Ubudehe category																																							
<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>																								<table border="1"> <tr><td>1</td><td>2</td><td>3</td></tr> <tr><td></td><td></td><td></td></tr> </table>				1	2	3																	
1	2	3																																													
The value of the stove:	 Frw		Subsidy:			Frw				To be paid by the recipient:	 Frw																																	
The recipient's phone contact				Telephone of the Chief of the village				A company field employee's phone contact				EDCL's Phone																																			
<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>												<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>												<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>												<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>											
The signature of the recipient of the stove								Name and signature of the employee's company that gives the stove																																							
Stove distribution date:				<table border="1"> <tr><td>Date</td><td>Month</td><td>Year</td></tr> <tr><td></td><td></td><td></td></tr> </table>				Date	Month	Year				Type (name) of the stove provided																																
Date	Month	Year																																													
After sale service period								Thermal efficiency Tier:																																						
Warranty period								(CO Emission Tier):																																						
								(PM2.5 Emission Tier):																																						
Other instructions																																															
Stove Beneficiary				He agreed to take good care of it and use it, not to sell or donate it, to pay for his contribution as agreed above																																											
On behalf of the stove's aggregator				Explain to the beneficiary the guidelines on the RBF-CC program																																											

I certify that the information I have provided above including Ubudehe category is true and complete to the best of my knowledge. I hereby declare that I and my family have never purchased a subsidized clean Cook Stove in the past. I am aware that any falsified information I have provided may lead to any legal actions as deemed necessary”.

Name and Signature of the beneficiary:

Annex 5.1: Template of sales list to be approved (stamped) from the local authority

LIST Y'INGO ZAHawe AMASHYIGA				
Izina ry'ikigo gitanze amashyiga:				
Akarere:		Umurenge:		Akagali:
SN	Amazina	Numero y'Indangamuntu	Umudugudu	Ubwoko (izina ry'amashyira)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Itariki bikoreweho:		
Umukono, amazina na Telefone by'umuyobozi w'umudugudu	Umukono, amazina kashe na Telefone by'umuyobozi w'Akagali	Umukono, amazina na Kashe by'ikigo gitanze ishyiga

Annex 6: Template of formal letter requesting for Subsidy Financing under CC-RBF

[DD/MM/YYYY]

Chief Executive Officer
Development Bank of Rwanda
P.O. Box 1341, KN 3 Ave, Kigali

Subject: Application for EAQIP Component 3b RBF Program participation

Dear CEO,

In reference to the Energy Access and Quality Improvement Project (EAQIP) Component 3b Operations Manual published on your website, we hereby kindly express our interest in the Clean Cooking Results-based Financing scheme.

[provide one paragraph summary of your operations in Rwanda]

Based on our past performance and leveraging benefit from this RBF scheme, we plan to connect [provide number of potential customers] new households in the next one year. We anticipate to realize [insert sales revenue projected for one year, in FRW] in sales and FRW (insert expected subsidy amount] in subsidy in the coming year.

We look forward for a continuous partnership with BRD's CC-RBF project. We are waiting to welcome BRD for the appraisal and discussions on our request.

Sincerely yours,

[insert the name of the authorized person of your company]
[insert title]

Enclosure:

- Dully signed Clean Cooking RBF Application Form
- Company registration certificate, issued by Rwanda Development Board (RDB);
- Audit report. The start-up companies who are not able to provide audited reports should at minimum provide management accounts;
- Tax Clearance certificate from Rwanda Revenue Authority and Rwanda Social Security Board.
- CV of the board members and the management team;
- Business plan of the company, if available;
- Copy of MoU signed with EDCL;
- A confirmation from EDCL that the proposed clean cooking products is in the CC-RBF eligible clean cooking technologies list.

Annex 7: Frequently Asked Questions

CLEAN COOKING RESULTS-BASED FINANCING SCHEME

Frequently asked questions (FAQs)

Q1: What is results-based financing?

Results-based financing (RBF) scheme is different from traditional grants because incentives are disbursed upon delivery and independent verification of results. This means that participating companies will have to pre-finance their projects, either through loans or other sources of funds. This RBF provides direct financial support to beneficiary households and micro-enterprises to buy down the cost of a clean cooking product.

Q2: Does RBF provide grants to the companies for their capacity building and marketing activities?

No. The RBF subsidizes the price of clean cooking products to final households. The participating companies must transfer the entire subsidy amount to its customers. The companies are expected to leverage their own resources for capacity building, marketing and any other operational activities. However, CC-RBF may provide certain TA (training, orientations, etc.) to participating companies.

Q3: What are the eligibility criteria for a company to participate CC-RBF?

Any participating company should go through the eligibility criteria provided in the EAQIP Component 3b Operations Manual, **Section 6.13**. Failure to comply with the eligibility criteria will lead to suspension of the company from participating in EAQIP Component 3b CC-RBF. The company should comply with these criteria at all times. Whenever the company deviates from the eligibility criteria and the stipulated roles and responsibilities, a credible commitment in the form of a time-bound action plan needs to be prepared by the company and submitted to EDCL and BRD. EDCL, BRD, and the World Bank team will closely review the action plan and decide accordingly.

Q4: What if a household changes Ubudehe category after the launch of the CC- RBF? How will this change impact the incentive level?

While Ubudehe categories may change, the CC-RBF only considers the Ubudehe category of a potential beneficiary at the time of the eligibility check and fund reservation. Any changes to the Ubudehe category thereafter will not affect the incentive allocation for that particular customer.

Q5: Can two individuals from the same household apply for the CC-RBF subsidy?

No. Once an individual from an eligible household buys a clean cooking product all household members will be marked as ineligible. In other words – one subsidized system (with two single burners or one double burner) per household.

Q6: Can household already having clean cooking product (subsidized or not) apply for the CC-RBF?

If a household is already fully using a clean Cook Stove without stacking (i.e. using a traditional stove) at the time of registration, the household is not eligible for the CC-RBF subsidy. If a household has a clean cooking product, but still uses a traditional stove regularly, the household is still eligible for the CC-RBF subsidy.

Q7: Are companies able to claim incentives for clean cooking products sold before the CC-RBF started?

No. Companies are only able to claim clean cooking product sold after the date of signature on the Grant Subsidiary Agreement (GSA) between the company and BRD. The GSA specifies the contract period and timelines for claim submission, verification, and disbursement.

Q8: What is the incentive level for an eligible household?

The subsidy level is different for different Ubudehe categories. See the CC-RBF Operations Manual (**Section 6.6 and Section 6.8**) about the subsidy amount and the disbursement schedule.

Q9: What is the Eligibility Tool and when is it used?

The Eligibility Tool is a web-based tool, managed by EDCL, which supports the implementation of CC-RBF. The Eligibility Tool is linked to the CMIS, which is used to check customer eligibility and serves as a data repository for registered sales.

Basic functionalities of the Eligibility Tool allow participating companies to check the eligibility of potential customers and corresponding incentive levels. This function will be available to each participating company immediately after they sign the GSA with BRD.

The complete functions of Eligibility Tool allow companies a. To pre-register sales and reserve funds for an interested customer for 15 calendar days, and b. To register a sale once the contract is signed with the customer. The company may have to manually submit the pre-registration and sales record to EDCL until this complete function is available.

Each participating company receives user logins to access an individualized Eligibility Tool site. Apart from being able to perform the activities mentioned above, the site allows each company to review and adjust potential sales for which funds were reserved and get an update on the remaining budget allocated to the company and each Ubudehe category.

The CC-RBF will develop a dedicated Eligibility Tool for clean cooking program in Rwanda. The CCC will use the Eligibility Tool once it is developed.

Q10: How much is the maximum threshold of subsidy amount per participating company?

There is no threshold of subsidy amount for participating company. However, the company can sign GSA at a level of maximum FRW 500 million subsidy (contract) amount. Once the company utilizes the committed amount, BRD can renew the GSA for another round of the contract amount. BRD reviews the GSA every six months and may adjust the initially agreed amount.

Q11. What type of business models are allowed under CC-RBF?

Companies are free to apply any type of business models, i.e. PAYGO, cash, SACCO, etc. However, at the time of application, the company should provide the different price of different sales models.

Q12: Is there any cost the CC-RBF charges to participating companies?

Yes. BRD charges 4% plus 18% VAT of the subsidy amount as a management fee. The company has two options: this fee will either be paid upfront, at the time of signing GSA or it will be deducted from the confirmed subsidy amount, at the time of disbursement. This fee will slightly reduce the actual subsidy amount for final beneficiary households.