

Nigerian Institutional Clean Cookstove Acceleration Scheme (NICCAS)

Call for Proposals, 2019

With the support from the Nigerian Energy Support Programme

December 2019

Content

| | |
|--|----|
| Acronyms..... | 3 |
| Figures..... | 4 |
| 1 Background..... | 5 |
| 2 Support package for the winning bidders..... | 5 |
| 3 Monitoring | 9 |
| 4 Selection process..... | 9 |
| 5 Criteria | 10 |
| 6 Instructions for submission..... | 12 |
| 7 Annex – Business Plan | 14 |
| 8 Annex – Declaration Form | 16 |

Acronyms

| | |
|--------------------|--|
| CfP | Call for Proposals |
| Eoi | Expression of Interest |
| EUR | Euro |
| FMEnv | Federal Ministry of Environment |
| FMP | Federal Ministry of Power |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| NACC | Nigerian Alliance for Clean Cookstoves |
| NESP | Nigerian Energy Support Programme |
| NICCAS | Nigerian Institutional Clean Cookstove Acceleration Scheme |
| tCO ₂ e | tons of Carbon Dioxide equivalent |

Figures

| | |
|---|---|
| Figure 1: Milestones for Grant Support..... | 7 |
| Figure 2: Stages of monitoring..... | 9 |

1 Background

Around 75% of the Nigerian population rely on biomass for their cooking and heating needs¹. Dependency on biomass for cooking and or heating purposes increases pressure on local natural resources. It poses a threat to the health and safety of end-users, mainly women often accompanied by their children. As per the Nigerian Alliance for Clean Cookstoves (NACC), Nigeria has the highest number of deaths due to household level air pollution. Number of deaths per year attributable to household air pollution are 64,000 (IHME, 2017)². Inefficient cooking also contributes to climate change through emissions of greenhouse gases.

The Federal Government of Nigeria acknowledges the issue of inefficient cooking and has launched several initiatives to tackle it. In 2014, the Government launched the Nigerian National Clean Cookstoves Programme. The objective was to adopt around 100 million clean and efficient cookstoves by 2020. These interventions were mainly focussed on households with efficient cookstoves. The Government has also explored the option of carbon financing for large scale deployment of clean cookstoves. However, institutional stoves, despite consuming a larger amount of fuelwood and leading to GHGs emissions, have received limited attention from the Government so far.

The European Union and the German Government, through the Nigerian Energy Support Programme (NESP) implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in collaboration with the Federal Ministry of Power (FMP), were amongst the first donors to support this sector. During its first phase (2013-2017), NESP supported the Federal Ministry of Environment (FMEnv) and the Niger State Government to promote improved institutional stoves for rice parboiling together with three selected local stove manufacturers. This intervention resulted in the dissemination of improved institutional stoves for 105 agro-processing groups.

The second phase of NESP was launched in the end of 2017 and will last until the end of 2020 with the aim to support in dissemination of a minimum of 400 institutional clean cookstoves for agro-processing, thereby resulting in a minimum of 10,000 tons of Carbon Dioxide equivalent (tCO₂e) of cumulative savings per annum by November 2020.

2 Support package for the winning bidders

The Tender is funded by the European Union and the German Government with a total amount of up to 330,000 EUR, which shall be distributed evenly amongst the winners of the tender.

The FMEnv is expected to appoint a team within the Ministry in charge of designing and implementing (incl. any monitoring activities and support the selected bidders after signature of the Grant Agreement by the FMEnv with the selected bidder) the Tender with the support of NESP.

¹ <https://www.cleancookingalliance.org/country-profiles/focus-countries/3-nigeria.html>

² <https://www.cleancookingalliance.org/country-profiles/focus-countries/3-nigeria.html>

2.1 Allocation

The resources that have been earmarked for the Scheme will be evenly allocated across three regions (North, Centre and South) in Nigeria as follows:

1. The Support will be divided into 3 even parts. Each 1/3 will be allocated to North, centre and South and will be designated as a Lot.
 - a. North: North East and North West
 - b. Centre: North Central and Federal Capital Territory
 - c. South: South South, South East and South West
2. For each Lot, submissions by Bidders will be ranked and selected in order of the highest to the lowest score. The grant resources will be allocated to the first ranked bidder of each Lot.
3. In case there is no eligible offer in a Lot, leading to excess grant, the excess will be evenly distributed across the other Lots where demand for subsidies from the selected offers exceeds the allocated grant resources until all funds for the present Scheme are depleted.
4. No new selection process will be launched to allocate any excess grant funding.

Bidders will have the right to apply for all Lots. However, Bidders can only be awarded one Lot. Bidders must indicate their preferred Lot in case they apply for more than one Lot. Bidders may apply for Lots as part of a consortium. However, Bidders cannot apply twice for the same Lot, in any modality, either as lead applicants or as a part of a consortium. Doing so will lead to immediate disqualification of all bids that the Bidder is a part of.

2.2 Grant Model

The following materials and logistics costs will be covered by the Grant:

1. Printing of materials for awareness creation campaigns;
2. Logistics costs³ incurred by the selected bidders while raising awareness and selling the cookstoves as well as attending any meetings (be it bilateral, workshops, conferences or trainings) organized as part of this intervention (that take place outside from the Local Government Area where the selected bidder is based); and

³ The following costs will be covered upon submission of invoice and receipt by the selected bidder in line with GIZ rules:

1. Hotel;
2. Road transport/Flight.

Logistics costs can be covered for as many staff from the Selected Bidder as needed, bearing in mind that a total of only 500 EUR per targeted agro-processing group will be paid in total (incl. printing of materials, logistics and costs of workshops).

- Costs of workshops to be organized at any stage of this intervention.

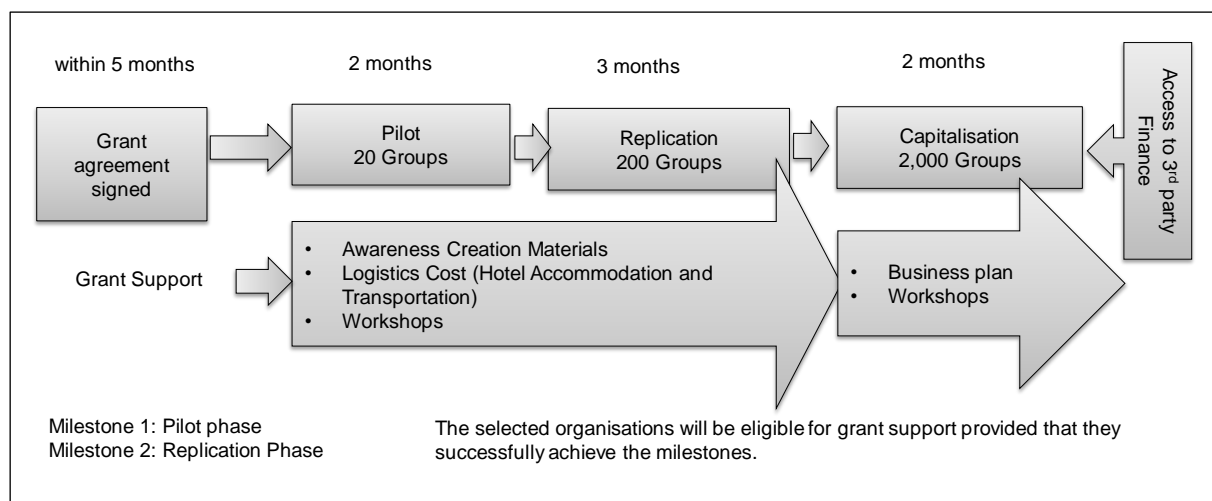
2.3 Technical Assistance (TA)

The Grant will be accompanied by TA to the selected bidders. This TA will come in the form of advice on the technical, legal and financial related aspects related to the business model proposed by the selected bidder. The goal will be to support the selected bidder in the preparation of a bankable business plan that will be funded by a third party (e.g. local commercial bank).

2.4 Conditions for accessing Grant Support

The Grant Agreement is structured as a performance-based contract. The selected bidder will have access to the Grant Support upon the achievement of the milestones (conditions), as defined in the Grant Agreement.

Figure 1: Milestones for Grant Support



2.5 Conditions for Grant disbursement

The selected bidder will need to fulfil the following Conditions at each stage of the intervention to be able to go for the next stage in the process. The FMEnv reserves the right to change the below mentioned Conditions. The list below will be superseded by the Grant Agreement, which shall be considered the final and only list.

As a general condition, any deviation from the proposal from the Selected Bidder will need to be properly justified and approved by the FMEnv (incl. change in the team of the selected bidder responsible for the implementation of this intervention).

2.5.1 Pilot Phase

The fulfilment of the below mentioned Conditions (Conditions Precedent) will activate the Grant Agreement and lead to the disbursement of the first tranche of the Grant, which will in turn lead to the provision of access to institutional clean cookstoves to 20 agro-processing groups:

- Implementation plan for the deployment cookstoves in the first 20 agro-processing groups (incl. list of potential target groups, as proposal during the Call) approved by the FMEnv; and

2. Proof of having enough funding to fund upfront the capital costs for the deployment of a minimum of 20 cookstoves.

2.5.2 Replication phase

The fulfilment of the below mentioned Conditions will lead to the disbursement of the second tranche of the Grant, which will in turn lead to the provision of access to institutional clean cookstoves to 200 agro-processing groups:

1. Refined business plan according to the lessons learnt from the Pilot Phase approved by the FMEnv.
2. Short report on the Pilot Phase approved by the FMEnv.
3. Electronic folders with photos and videos prepared during the awareness creation campaign of the Pilot Phase.
4. Submission of proof that 20 agro-processing groups have been provided with institutional cookstoves verified by the FMEnv.
5. Implementation plan for the deployment cookstoves in the next 200 agro-processing groups (incl. preliminary list of potential target groups) approved by the FMEnv; and
6. Proof of having enough funding to fund upfront the capital costs for the deployment of, at least, 200 next cookstoves verified by the FMEnv.

2.5.3 Capitalisation Phase

The fulfilment of the below mentioned Conditions will lead to the disbursement of the third tranche of the Grant, which will in turn lead to access to funding to cover for the costs of providing access to institutional clean cookstoves for a minimum of 2,000 agro-processing groups:

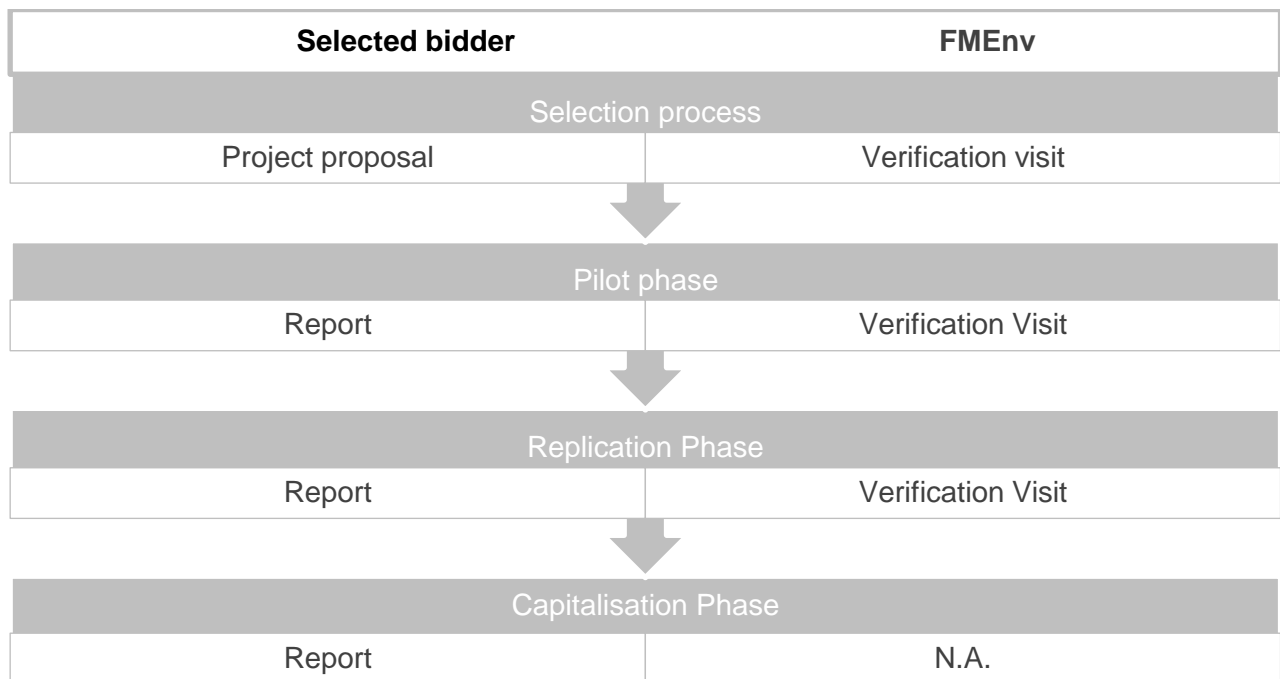
1. Refined business plan according to the lessons learnt from the Replication Phase approved by the FMEnv.
2. Short info memo and any other documentation needed to pitch to the potential funders approved by the FMEnv.
3. Short report on the Replication Phase approved by the FMEnv.
4. Electronic folders with photos and videos prepared during the awareness creation campaign of the Replication Phase.
5. Submission of proof that 200 agro-processing groups have been provided with institutional cookstoves verified by the FMEnv.
6. Implementation plan for the deployment cookstoves in the next 2,000 agro-processing groups (incl. preliminary list of potential target groups) approved by the FMEnv.

3 Monitoring

The will do a first Verification Visit during the stage of the evaluation of the proposals to verify the information included in the Bidder's project proposal.

The selected bidder will submit 1 report to the FMEnv upon the completion of each of the steps in the intervention. The 3 reports prepared by the selected bidder will be complemented by Verification Visits from the FMEnv during the Pilot and Replication Phases. The FMEnv may decide to pay Verification Visits to all agro-processing groups benefitting from the intervention or a sample.

Figure 2: Stages of monitoring



The FMEnv jointly or separately may continue organising monitoring visits to the sites even when the Grant Agreement has expired. In addition, NESP or NESP's appointed consultants and any other mandated agency shall periodically carry out inspection, monitoring and assessment of the projects.

4 Selection process

The next steps in the NICCAS have been structured as follows:

4.1 Call for Proposals (CfP)

A pre-notification on the scheme and invitation to the Stakeholders' Workshop will be announced on FMEnv's website.

The Call for Proposals (CfP) is launched on the date of publication of the advertisement in the Bureau of Public Procurement (BPP) Federal Tenders Journal, The Daily Trust, The Guardian Nigeria Newspaper and FME's website.

4.2 Request for Clarifications

Requests for clarification shall be sent directly to the FMEnv designated e-main id. The FMEnv will set up a specific e-mail id to receive clarifications. The responses will also be provided by the FMEnv through the designated e-mail id (**nigeriancleancookstove@gmail.com**). Enquiries from bidders that are received two weeks prior to the closure of the tender, may not be considered.

4.3 Evaluation of Proposals

The evaluation process for each proposal will be divided into three steps and be performed based on the criteria mentioned in the next Section:

1. **Completeness Check:** All proposals will be checked to ensure that all documentation has been submitted and is duly completed. Those submissions that are considered incomplete will be automatically disqualified.
2. **Eligibility Assessment:** Proposals that are duly completed, will then be assessed based on the Eligibility Criteria. The eligibility assessment will include simple due diligence on the bidder. Proposals that do not comply with any of the Eligibility Criteria will be automatically disqualified.
3. **Selection of the best short-listed proposed projects:** In case there are several eligible proposals for each lot, the eligible proposals for each lot will then be evaluated and ranked.

Once the Management Committee has selected the bidder for each Lot, the list of the selected bidders will be published on the FMEnv's website and the non-selected bidders will be given a two-week notice to ask for clarifications.

4.4 Award

Once the 2-week deadline for clarifications has elapsed and if no further changes need to be made to the list of selected bidders, the FMEnv will inform the Selected Bidders via official letter and invite them to sign the Grant Agreement with the FMEnv. This process shall not take more than 1 month after the finalization of the evaluation of the proposals.

A reserve list with the second and third ranked proposals will be established per Lot, where applicable. In case any of the selected bidders withdraws or is withdrawn during the subsequent steps in the process, the next bidder in the reserve list for that specific Lot will be awarded the grant.

5 Criteria

5.1 Eligibility

Incomplete submissions and/or non-compliance with the eligibility criteria shall result in the automatic disqualification of the proposals.

| # | CRITERIA | Evidenced through |
|----|--|--|
| 1 | Bidder is incorporated as a for profit company in Nigeria. | Certificate of Incorporation or CAC Certificate |
| 2 | If consortium: Declaration by the consortium | Letter of declaration |
| 3 | Positive annual turnover over last 3 years | Audited Fin. Statements |
| 4 | Minimum Annual turnover of 10,000 Euro in 2018 - (if in consortium, the lead bidder must fulfil this criteria) | Audited Fin. Statements |
| 5 | The bidder must comply with Industrial Training Fund Certificate | Valid Industrial Training Fund (ITF) Certificate |
| 6 | The bidder must submit the past 3 years tax clearance certificate (2016, 2017 and 2018) | Valid Tax clearance certificate |
| 7 | The bidder must comply with the with the Nigerian Social Insurance Trust Fund (NSITF) | Valid Certificate of Compliance |
| 8 | The bidder must submit positive credit report of the company obtained from credit bureau for the last 3 years (2016, 2017 and 2018) | Positive credit report from the credit bureau |
| 9 | The bidder must comply with the Pension Reform Act 2014 | Valid PENCOM Certificate |
| 10 | The bidder must have a valid bank account | Bank reference letter |
| 11 | The bidder must have a credit history with a minimum of 1 transaction | Bank statement issued and signed by the bank |
| 12 | Passport copies photos and CVs of management involved in leadership, financial and technical components of the project | Photos and CVs |
| 13 | Min. of 5 employees including 2 women | Organogram + CVs |
| 14 | Own equity available in the range of 5,000 Euro - (if in consortium, the lead bidder must fulfil this criteria) | Bank statement issued and signed by the bank/inventory |
| 15 | Min. of 2 years of experience with institutional level clean cookstoves | Report or similar |
| 16 | Minimum of 50 institutional level clean cookstoves deployed in the past years | Report or similar |
| 17 | Minimum of 1 project financed with public funding (Federal government, State government or Donors) supporting the deployment of institutional clean cookstoves. | Letter of reference or similar from public funder |
| 18 | Capacity to manufacture/deploy at least 400 institutional cookstoves in one year | Report or similar |
| 19 | Must provide test certificate of the proposed cookstove technology to be deployed by the bidder under the scheme, if selected, from a recognized test center. | Test certificate from a recognised test center |
| 20 | Proposed Cookstove technology must come with 1-year warranty | Warranty certificate |
| 21 | Proof that components of the cookstove technology are sourced / procured from within the country | Invoices/receipts |
| 22 | Tested end-user payment solutions In case the bidder does not consider this necessary, the bidder will need to submit with its proposal verifiable proof that end-users can pay upfront for the proposed cookstove technology. | Report or similar |

| | | |
|----|--|--|
| 23 | Presence in the area* where the proposed project will be implemented (*area can be defined a radius of 200 KM where the company's or its partner's (in case of consortium) office or outlet is established and fully functional) | Copy of registered address |
| 24 | List of at least 100 potential customers for cookstoves has already been captured in the business plan | Evidence in the form of customers details have been captured |
| 25 | Information on willingness and affordability to pay for the cookstoves of at least 100 potential customers have been captured | Evidence in the form of customers economic profile with has been captured |
| 26 | Information on Current fuel use pattern of at least 100 potential customers who are interested to buy clean cookstoves have been captured | Evidence on current fuel use pattern in terms of quantity (Kg)/day has been captured |
| 27 | After sales service strategy to the customers (up to 1 year in case of mud based cookstoves and up to 2 years in case of metal based cookstoves) | Company declaration with product brochure |
| 28 | The applicant must commit to statements and declarations via a sworn affidavit. | Copy of Sworn Affidavit |

5.2 Selection

In case more than one proposal are eligible for the same lot, a due diligence process will be needed to determine which of the proposals will be retained for the lot.

Comparison between the proposals will be based on:

1. Bankability of the proposed project (measured in terms of IRR)
2. Financial readiness (availability of own equity)
3. Experience of the team (measured in no. of years for the staff)
4. Experience of the company in implementing institutional cookstoves.

6 Instructions for submission

6.1 Application documents

1. Interested bidders are invited to download the tender documents (zipped folder) uploaded on the FMEnv's website (www.environment.gov.ng/).
2. Once filled, the interested bidders must submit a proposal for each portfolio/lot they wish to bid for separately containing the following information:
 - a. Business plan (see Annexes) as per the sample guiding texts provided below in the appendix. Note that business plan needs to be submitted for each portfolio/lot separately.
 - b. Financial model (uploaded on the FMEnv's website with the CfP) – An excel based template for financial model will be part of the tender document. The interested bidders are required to fill the financial model. Note that financial models need to be submitted for each portfolio/lot separately.

- c. Declaration Form – Sworn Affidavit (see Annexes)
- d. All other documentation mentioned in Section 5.

6.2 Deadline and address for submission

1. Candidates shall submit their application within 60 days from the date of publication of Call for Proposals.
2. Candidates shall submit to copies:
 - a. Soft copy of the proposal including all the supporting documents in a zip folder must be sent to the email id nigeriancleancookstove@gmail.com. The applicant shall mention “Application NICCA” in the subject line.
 - b. Hard copy of the proposals including all the supporting documents must be submitted to the FMEnv Office. The address is Federal Ministry of Environment, Department of Climate Change, 14 Aguiyi Ironsi Street, Maitama, Abuja
3. Any application received later than the mentioned date will not be considered.

7 Annex – Business Plan

Contact details of applicant

Company name

Physical address

Website

Contact person

E-mail

Phone number:

Name and address of partner(s)

(in case of consortium)

1. Executive summary

Summarize the main aspects of your project proposal.

2. Project Background

- a. What are your company's business interests in the proposal and how do they connect with the Government's intention on large scale promotion of institutional level clean cookstoves?
- b. Why can't your company implement the proposal without the support from the Government? What are your expectations concerning the Government's support?

3. Company Profile

- a. What are your company's experience in implementing institutional level cookstoves and what projects have you completed in the past?
- b. Describe your local presence in Nigeria, including also in relation to the project sites/lots you have chosen.
- c. Briefly describe your organisational and team members' structure and highlight your company's strengths.
- d. For the proposals submitted in consortium, what was the reasoning for partnering with the partner you have chosen? Briefly outline how your partnership is organised.

4. Overall objective:

Explain the objective with vision of 3 to 5 years for promoting institutional level cookstoves. The vision should be in line with market-based approach or commercial approach.

5. Market survey: This segment should include the followings:

- a. Demographic profile of 100 potential customers should be collected

- b. Information on ability and willingness to pay for the institutional cookstoves among 100 potential customers
- c. Current fuel use pattern of 100 potential customers

6. Description about the technology (institutional level cookstoves)

- a. Technical details about the technology
- b. Explain the production process of the cookstove
- c. Describe Unique Selling Point (USP) of the technology
- d. After sale service strategy

7. Business model

- a. Describe revenue stream
- b. Describe end user payment mechanism (100% upfront or installments)
- c. Any tie up with local financial institutes for end user financing

8. Financial modelling/profitability

A separate excel sheet-based template will be provided. Please note the followings while working on the excel sheet.

- a. Realistic assumptions (HR Costing, costing of components of the cookstove, marketing cost profit margin, interest rate, etc)
- b. Cash flows, IRRs, etc

9. Implementation strategy and Timeline

- a. Describe project implementation strategy considering gradual approach of piloting, scaling and capitalization stages;
- b. Describe most efficient way to stimulate demand;
- c. Proof of community engagement especially with women Agro Processing Groups.

10. Risk analysis

Please elaborate how the anticipated risks can be mitigated. Such as

- a. Demand risk
- b. Payment collection risk
- c. Implementation risk
- d. Technology risk
- e. Geo-political risk

8 Annex – Declaration Form

Sworn Affidavit – NICCAS 2019

To be filled, signed and submitted jointly with the other documentation required under NICCAS.

INSTRUCTIONS

Please initial each page and sign on the last page.

Please note that a commissioner of oaths needs to co-sign.

DECLARATIONS

I am a member/director/owner of the following enterprise and am duly authorized to act on its behalf:

| | |
|---------------------|--|
| Enterprise Name | |
| Trading Name | |
| Registration Number | |
| Enterprise Address | |

As a bidder under the NICCAS 2019, we declare the following to be to the best of our knowledge a true reflection of the facts.

I. Insurance Claims

Select EITHER:

(The Company has not made any claims towards any insurance companies over a period of 24 months preceding this submission)

OR

(Name of company that made claim made a claim towards its state insurance type over the amount of enter amount on the date).

Copy and paste the second option in case of multiple claims.

II. Declaration of grant benefits

The Company does not presently and shall not in future benefit from any grant from any local or international public or private entity in relation to the projects to be developed under this Call for Proposals. We understand that obtaining a grant related to the projects under this submission requires preliminary and explicit written approval by the FMEEnv.

III. Statement of obligations/liabilities

This is to confirm that the Company has no obligations and/or liabilities aside from those stated clearly as part of the submission of documents for this Call for Proposals. The Company further has fulfilled all obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are

established or with those of the country of the contracting authority or those of the country where the contract is to be performed.

IV. Statement of professional conduct

The applicant and all of its partners have not been convicted of an offence concerning their professional conduct by a judgment which has the force of 'res judicata', and have not been found guilty of grave professional misconduct proven by any means which the contracting authority can justify. The applicant has not been the subject of a judgment which has the force of 'res judicata' for fraud, corruption, involvement in a criminal organization or any other illegal activity. The applicant and all of its partners are not blacklisted by any donor agency/national government. No Director of the Company has ever been convicted in any country of any criminal offence relating to fraud or financial impropriety.

V. Statement of liquidity

The Company and its parent companies are presently not bankrupt or being wound up, having their affairs administered by the courts, entered into an arrangement with creditors, suspended business activities, are the subject of proceedings concerning those matters or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

VI. Statement of interests

No officer of the Federal Ministry of Environment or any other public entity is a former or present Director, shareholder or has any pecuniary interest in the Company.

VII. Statement of genuity

All submitted documents submitted as part of the present call are true and genuine.

VIII. Statement of authorisation

The Company hereby nominates the following person to act as authorized signatory on behalf of the Company, including signature of any documents with the FMEnv:

| | |
|-------------------------|--|
| Name | |
| Date of Birth | |
| Position in the Company | |

Please upload to the data room a clear passport photo of the authorized person entitled "Authorised Representative_Name of Representative"

Location, Date, Director's Name, Sign and Stamp

Location, Date, Commissioner of Oaths Name, Sign and Stamp