

# Modern Cooking Facility for Africa

Renováveis em Moçambique

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# Background and overview

# Overview

- The **Modern Cooking Facility for Africa (MCFA)** was launched in November 2021
- Multi-donor programme established and managed by **Nefco – the Nordic Green Bank**
- **EUR 32 million** initial funding from Sweden; **European Union** joined the Zambia country programme in 2022 with EUR **12.5 million**



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# Project countries



# Purpose

- **Market creation:** public sector funding to overcome early structural challenges in the market, incentivize scale-up needs of private companies and create conditions for long-term sustainability and commercial investment
- **Accelerate access to modern energy cooking solutions** to end-customers in the project countries

# Objectives

- Contribute to **SDG 7 – affordable and clean energy**
- **Accelerate access to up to 840,000 modern energy cooking solutions** to end-customers in the project countries provided with higher tier electric cookstoves and cookstoves that use sustainably produced solid and liquid biofuels or biogas solutions
- **Support up to 25 private investees** over 4-year implementation period
- Mobilise additional funding: **target 1:1 leverage ratio**
- Positive impacts on climate, deforestation, gender equality and health

# MCFA Components

- **Financial incentives for clean cooking services (CCS):** "Soft" results-based financing approach – MCFA financing deployed on grant-basis as “free-equity”
- **Non-recoverable upfront grant** up to 30%/50% depending on the Funding Window
- **Technical assistance (TA) to CSPs:**
  - tailor-made to each investee’s needs, focused on business coaching and mentoring services
  - development and implementation of gender action plans
  - access to carbon finance

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# MCFA Calls for Proposals

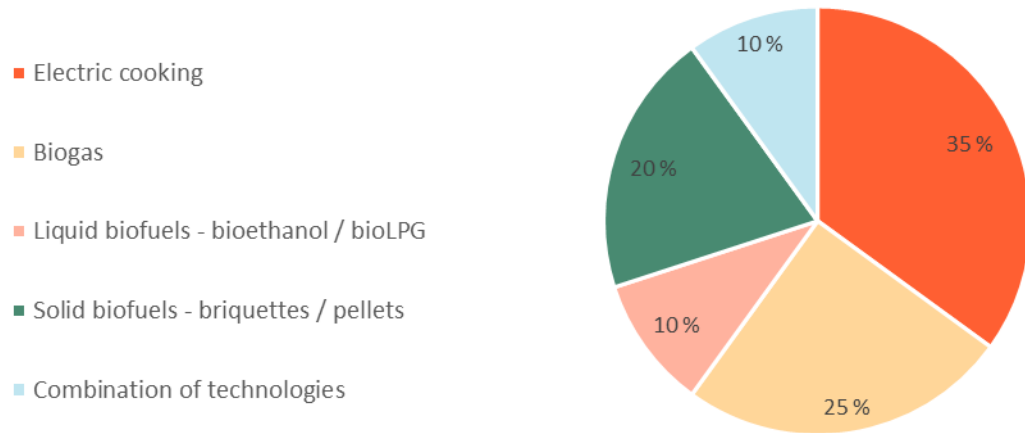


# First MCFA Call for Proposals (MCFA1)

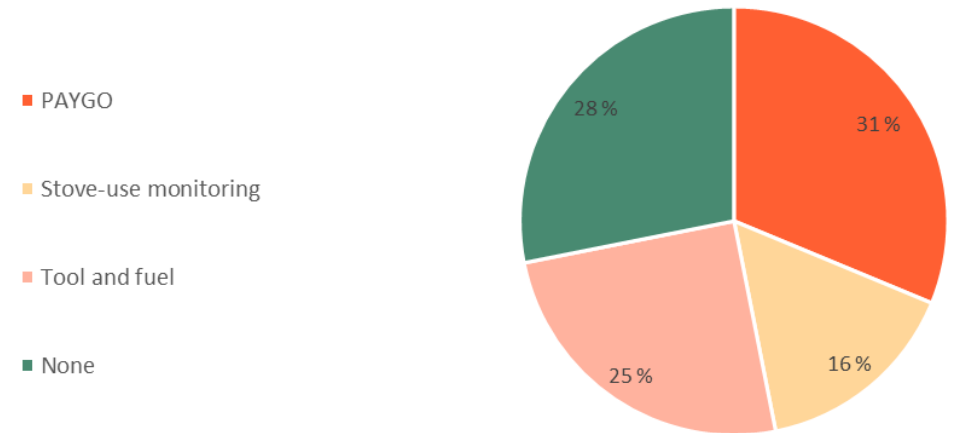
- EUR 30.8 million offered in total in the initial six project countries, **EUR 3.45 million in Mozambique**
- Launched in **April 2022** and concluded in **February 2023**
- 11 highest-ranking applicants shortlisted and invited to due diligence, **two in Mozambique**
- As of today, 7 contracts signed, 3 more will be signed in November-December 2023, 1 applicant undergoing due diligence

# MCFA1 Highlights – all countries

MCFA1 Breakdown by Technology (FA stage)



Business models (FA stage)



# MCFA1 outcomes in Mozambique

- Funded by Sweden, expected contract value up to EUR 3.45 million in total
  - **BURN Manufacturing Mozambique**
    - Contracted in September 2023
    - Mozambique among the target countries for BURN's launch of new electric cooking product line
    - Will offer induction cookers and electric pressure cookers to 66,666 customers using PAYGO model in both urban and rural areas
    - Initial focus on Maputo and Matola
  - **One more investee in contracting stage**: will sell up to **2,000 biodigesters** to customers in peri-urban and rural areas

# Second MCFA Call for Proposals (MCFA2)

- **To be launched on 29 November 2023**
- Total available funding up to **EUR 16 million** made available under two funding windows:
  - **Catalytic Funding Window:** targeted at earlier stage companies with 50% of MCFA funding offered as catalytic grant
  - **Scale-up Funding Window:** similar to MCFA1, 30% catalytic grant
- Project countries: DRC, Kenya, **Mozambique**, Tanzania, Zambia and Zimbabwe + Malawi as new country
- **Pre-Qualification stage will be open for applications 29 November 2023-31 January 2024. Applicants meeting basic eligibility criteria will be invited to submit full business plans. Shortlisting in June 2024.**

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[www.moderncooking.africa](http://www.moderncooking.africa)