



TERMS OF REFERENCE

CAPITALIZATION OF THE SEFED PROGRAMME "SUPPORT THE EMERGENCE OF SUSTAINABLE SUPPLY CHAINS IN THE ENERGY DOMESTIC SECTOR"

CONTEXT

The **Group for the Environment, Renewable Energy and Solidarity** (GERES) is an international non-profit organization headquartered in France and active in Southeast Asia for the last 20 years.

Environmental conservation, climate change mitigation and adaptation, reducing energy poverty, and improving livelihood of the poor are the main focus areas for GERES. The GERES team is particularly involved in the implementation of engineering solutions for development and providing specific technical expertise. Activities include conducting energy efficiency programs, providing decentralized energy services for local economic development, supporting and developing renewable energies and promoting waste management. These activities are always implemented in partnership with local stakeholders and communities based on collaborative experience sharing.

Reducing biomass consumption through ICS (Improved Cookstoves) is one of the widely recognized measures taken to strengthen economies at the household scale. In particular, it contributes to the livelihoods of women and children by reducing negative impacts on health, providing cleaner kitchens, saving time and money spent on collecting cooking fuel, and freeing time for income generation and livelihood activities. Improved cookstoves also have positive impacts on the environment, namely mitigating climate change by reducing CO₂ emissions from the inefficient use of non-renewable biomass and reducing pressure on forest resources.

Support to the Improved Cookstove value chain in Cambodia

Since 1997, GERES has worked alongside players in the domestic cookstove supply chain to promote a more sustainable use of biomass energy by introducing more efficient cookstove models. Between 2003 and 2013, during the 10 years of carbon finance that allowed the scale up of this national program for the distribution of ICS, more than 3 million of ICS were sold using with wood and coal for combustible which allowed the industry to reach a production of more than 35,000 units per month at cruising speed. In 2004, GERES supported the registration of the Cambodian Association of Producers and Distributors of ICS (ICoProDAC), but this step remained

more symbolic than operational in the history of the sector. Since 2012, GERES has initiated a dialogue with ICoProDAC members to define the conditions for their operational and financial empowerment. A survey of the members was conducted in 2014 to identify the services expected and to assess the willingness and ability of the different member groups to contribute to the resources of the association, including by introducing the concept of membership fee. In 2016, ICoProDAC represented some 300 members, including some 100 producers and nearly 200 wholesalers and mobile distributors. For these micro and small entrepreneurs, most of them in the informal economy, the challenges lie in the sustainability and development of their business in a very dynamic context where new players and models of imported cookstoves are coming onto the market. It is therefore time for the association to fully fulfill its inter-professional role, in particular by deploying a set of services to its members to support the competitiveness of the latter and to help generate its own revenues.

Support to the sustainable wood charcoal value chain

Since 2008, GERES has also been working on the creation of Sustainable Biomass Fuels supply chains, in order to replace, at least in part, the traditional sectors which constitute an increasing factor of forest degradation, by alternative solutions for users: development of new sources of solid biomass (bamboo, various residues), improvement of carbonization processes and promotion of community practices for sustainable forest management, the residues of which can be recycled into charcoal.

The level of structuring of the sector, the maturity of the technical solutions and the current number of actors are just nascent. A number of obstacles hinder the development of a sustainable wood charcoal sector. It is therefore to provide a concerted response to these issues that GERES proposes to bring together all the stakeholders of value chain around a coordination "platform" able to structure a sustainable charcoal supply chain and redirect revenues generated by the sector to community forests so that they can invest in plantation and forest restoration activities.

The last phase of support to the sector was done through the SEFED project. It was proposed to support the emergence and empowerment of local "sustainable energy" sectors involved in the production and distribution of improved cookstoves and sustainable biomass fuels in Cambodia. The approach was threefold: increase the internal resources and capacities of these local actors, stimulate market demand and change the regulatory framework, to support the dissemination of sustainable energy solutions and sustain the biomass energy sector for domestic cooking.

More specifically the project aimed at:

- Strengthening the capacities of 2 "sustainable energy" sectors, by working on their governance, their economic model and their material and technical resources.
- Supporting market demand for energy efficient, ecologically sustainable and socially responsible energy solutions through household awareness and promotion of proposed solutions.
- Contributing to the development of an attractive regulatory and fiscal framework to stimulate public and private investment in the biomass energy and forest ecosystems sectors.

Over the course of the project, ICoProDAC was transformed into CESP (Cambodian Efficient Stove Promoters Association) with new status and governance structure to better fit the strategic direction desired by the members. The project provided capacity building support to the board of CESP to ease into their new responsibilities, develop the strategic vision and plan of the organization, and identify and roll-out income generating activities.

After identifying a number of market barriers along the sustainable wood charcoal value chain the SEFED project adopted a market-oriented approach and envisioned a "missing actor" whose mission would be threefold: *a)* structure the actors along the value chain, *b)* ensure the quality control of the product and *c)* guarantee access to the market. A pilot social enterprise was created to test the validity and of this new value chain and the viability of the financial model. The project allowed to also engage new stakeholders until now excluded from the sustainable value chain: community forests that supply legal and sustainable wood, and traditional charcoal producers that now have access to legal source of wood and improved practices.

The project's activities took place in Kampong Chhnang to support directly the board of CESPA and in Pursat, kampong Chhnang and Phnom Penh when implementing the proof of concept for the sustainable wood charcoal value chain.

A grant from the Nordic Climate Facility is in process to be secured. It will allow during 2 years, starting August 2019, to continue the commercial activities of Kjuongo while exploring opportunities for scaling-up of the wood supply chain and prepare to approach impact investors.

STAKES OF THE CAPITALISATION

In the last 20 years, GERES has been a leading organization in the domestic cooking sector and has developed a strong expertise in terms of facilitating access to improved cooking solutions for populations relying on biomass. GERES interventions on the topic started in Cambodia with a globally recognized improved cookstove project (the NLS project), which supported the dissemination of more than 1 million units over a period of 15 years (see our [Lessons Learnt publication](#)). Building on this successful experience, GERES then implemented the *StovePlus* program with the aim of providing technical support to improved cooking energy projects in Asia and Africa (<https://www.stoveplus.org/>). GERES also replicated its Cambodian approach in the Myanmar context through its SCALE project from 2014 to 2018 (see our [Project sheet](#)).

Support to the biomass energy sector is a strategic sector for GERES as it is a cross-cutting issue covering all 3 GERES strategic pillars: Access to Energy, Energy demand management and Economic Development. The perspective of a new funding phase with the NCF project (2019-2021) confirms the positioning of GERES in the sustainable charcoal sector.

The last capitalization work was carried out in 2014 with a publication, *Outcomes*, focusing on the lesson learnt from the first GERES's ICS carbon finance project. Before that, a first attempt at capitalization took place in 2009, *Dissemination of domestic efficient cookstoves in Cambodia*, and shared a first analysis of the history of the value chain support and the path to access carbon finance. Nevertheless, no previous GERES' capitalization exercise managed to identify the internal know-how acquired, the methodologies, skills, tools that are transferable and important context specific considerations and that GERES should take into account for the next phases of interventions. It has been, therefore, decided to initiate a new capitalization process on the SEFED project focusing on the strategies adopted by GERES to support the structuring of markets, the role endorsed, and successes and failures in the exit strategies implemented (in the ICS sector for the latter).

Charcoal sector and ICS sector show similarities with low margin, low added-value type of products and the traditional producers, often informal MSMEs lacking skills and with restricted access to finance. GERES tested different approaches that are worth comparing to draw out useful learnings, serving as guidance for future interventions. In supporting the ICS sector, GERES promoted a collective approach, fostering collaboration among the producers and distributors through a collective association to improve the quality and the revenues for the sector. This was done through the support to CESPA. In the charcoal sector, a missing market actor was identified. Therefore, the strategy has taken a more private sector-oriented approach with the incubation of a social business entity (Kjuongo) acting as a sector leader with the aim of developing the market for sustainable charcoal, through the professionalization of the whole sector. This is also a strategy that GERES is implementing in Myanmar.

The key questions for the capitalization to address are:

- **Strategic approach:** what are the main conclusions that can be drawn by a detailed comparative analysis of the two main approaches? The analysis should particularly highlight what the respective rationales are, the conditions for implementation and success, the constraints and risks of failure, and lessons learned in the context of Cambodia. This work is intended to help guide future GERES intervention and refine its strategic approach framework.
- **NGO role and exit strategy:** What should be the role of an NGO such as GERES in supporting the long-term sustainability of ICS and sustained wood charcoal value chains? How does the current role endorsed affect directly or indirectly the success of the NGO's exit strategy? What recommendations emerge from GERES's experience? The analysis should be built around the sector-wide on-going reflection and should also take in due consideration the different positions historically taken by GERES over the last 20 years of support to the ICS sector.
- **Contribution to GERES's strategic pillar:** How does the SEFED project contribute to further GERES's strategy pillar on economic development and social business incubation? What lessons are to be learnt from this experience and disseminated within the organization as guiding principles and practices?

This capitalization will remain mostly an internal communication tool. Its main beneficiaries will be:

- The Team in GERES Cambodia and South East Asia to support the implementation of the Biomass Energy project and the overall strategy of GERES in Cambodia in the Biomass energy sector;
- GERES expertise team, especially teams involved in Energy transition and Economic Development;
- The GERES countries involved on support to the ICS dissemination (Mali, Myanmar);
- NGO members of the Groupe Initiatives.

Deliverable will be composed of 3 to 4 factsheets (3 to 4 pages each) on key topics (to be confirmed during the capitalization process). The following are given only as examples, the final topics will be proposed by the project team and the consultant:

- Support to the ICS sector through the producer and distributor association: successes and challenges;
- GERES positioning to support economic development and private actor incubation, successes, challenges, perspectives (constraints of funding on short cycle, non-profit organization, etc.);
- Learnings from the exit strategies implemented in the ICS sector.

Human resources mobilization at GERES:

- The process has been co-initiated by GERES Headquarters (Quality Director) and GERES Cambodia (Country representative);
- The SEFED team and partners will contribute actively to the whole process;
- GERES expertise team (former project manager of Stove + in South East Asia) will also contribute.

Consultant responsibilities:

- Propose a capitalization methodology;
- Animate and coordinate the capitalization process with the GERES teams (including participative workshop);
- Ensure data collection;
- Draft the supports for capitalization and organize the GERES teams' contributions. A template for the fact sheet will be provided by the GERES communication team;
- Provide recommendation for dissemination (if outside of GERES).

METHODOLOGY AND SCHEDULE

The consultant is requested to submit a methodology which must comprise at least the following steps:

- Document and bibliography review;
- Kick off workshop with the project team to frame the final stakes and objectives;
- Interviews with project teams and key partners
- The consultant is also expected to travel to visit the supported supply chains in Kampong Chhnang and Pursat province, Cambodia. All expenses related to the field travels should be budgeted in the financial offer;
- Data analysis and presentation to the project team, work sessions;
- Reporting and restitution in Cambodia and in HQ.

The work is expected to be completed by 23th of August 2019 at the latest.

The applicant should provide a detailed planned schedule of the work to be performed, together with its technical offer.

DELIVERABLES

- Detail grid analysis of the data collected according to the different information collected
- Fact sheets;
- PowerPoint presentation summing up the main conclusions and recommendations for each capitalization topics.

SUPPORT PROVIDED BY GERES

Data

GERES will provide access to relevant project documentation and reports, and the necessary data for the consultant to be able to feed the capitalization process. Any other relevant data can be requested by the consultant and will be provided if existing. Listed here under are the two main capitalization works realized on the value chain up to now.

Outcomes : https://www.geres.eu/fr/wp-content/uploads/2018/04/2014-outcomes-mag-en.web_.pdf

Dissemination of domestic efficient cookstoves in Cambodia:

<https://www.geres.eu/fr/wp-content/uploads/2018/08/publi-nls-en.pdf>

Local services

GERES can provide no-cost support in the organization of the missions, such as advice and visa guidance and support, general orientation about the country context, etc.

GERES will provide the following additional support:

- Facilitation for organizing interviews and meetings,
- Stationary, workspace and internet during mission within GERES' premises.

- Transport to and in the field (Kampong Chhnang and Pursat Province). Local transportation in Phnom Penh is to be covered by the consultant.

Personnel

GERES project operations and support team will be available during the consultancy, and particularly during the field missions, to provide the consultant with the necessary information to smoothly conduct the review.

BUDGET

The maximum available budget for this assignment is 15 000 Euros (or equivalent in US dollars), inclusive of all costs and all taxes.

PROFESSIONAL QUALIFICATIONS

The evaluation firm will have to present 1 or 2 experts with the following expertise:

- A solid and diversified experience in conducting capitalization process of development & cooperation projects backed with references;
- Fully conversant with the principles and working methods of participative process;
- Experience and knowledge in support to market chains development and ideally access to energy;
- Full working knowledge of English with excellent report writing skills.
- Knowledge of Cambodian context and working experience in South-East Asia an asset;
- Experience and knowledge in biomass energy, improved Cookstove Dissemination, Forestry an asset.

APPLICATION

Applications should comprise:

A technical offer (maximum 5 pages), made of:

- understanding of the assignment
- description of the methodology
- proposed schedule of execution

In Annex:

- references for the consultant(s) proposed and detailed CV

A financial offer detailing the number of man-days with unit prices and the various reimbursable costs (flight tickets, other transportation costs, per diem and accommodation).

The applications will be assessed on both the technical and financial offers.

Information can be requested to Héloïse Pichot, h.pichot@geres.eu

The applications have to be submitted by email by **Tuesday 4th of June 2019, 5:00pm Cambodian time** (UTC +7) to the SEFED Program Manager, Héloïse Pichot, h.pichot@geres.eu

Technical and financial offers should be submitted in separate files, in generally accepted electronic format. Electronic submission should be less than 5 Mo (if heavier please split in several files). Files with extensions not supported by PC will not be considered.