



## 1. Request for Expressions of Interest from Kenyan Cookstove Distributors

Winrock International (Winrock) and the Kenya Union of Savings and Credit Cooperatives Ltd. (KUSCCO) are soliciting Expressions of Interest (EOIs) from Kenya-based distribution companies to join the KUSCCO *Jiko Safi Fund* program. The purpose of the Jiko Safi Fund is to increase uptake of high-quality fuel-efficient cookstoves among Kenyan consumers. This notice is intended to identify qualified cookstove distributors already working in KUSCCO-supported geographic regions, which meet eligibility criteria (outlined below) and are interested in joining the Jiko Safi Fund program.

Distributors interested in this program description should submit to Winrock an EOI containing a brief overview of their current distribution network (as outlined in this document) and proposed approach to integrate KUSCCO's Jiko Safi Fund structure into that network. More information on KUSCCO and the Jiko Safi Fund are included below. Section 5 below has detailed instructions about what should be included in EOI submissions. A template for EOI submissions is included as Annex A. Qualified distributors may be contacted to provide more information as needed.

## 2. Description of the Jiko Safi Fund

### 2.1 Background and Overall Program Goals

The Jiko Safi Fund was developed under the United States Agency for International Development (USAID) and Winrock International *Developing a Sustainable Cookstove Sector* (DSCS) Program. The goal of the DSCS program is to develop sustainable cookstove markets that will lead to widespread adoption of clean, efficient cooking solutions. Through DSCS, USAID and Winrock organized a competition in Kenya to increase distribution and financing of fuel-efficient biomass cookstove and promote commercialization of the Kenyan fuel-efficient cookstove sector.<sup>1</sup> Under these overall goals, the Kenya competition had three main objectives:

- Reduce barriers and strengthen distribution channels to expand access to and increase consumer adoption and use of fuel-efficient cookstoves;
- Increase the availability of enterprise finance and breadth of financial tools available to the cookstove sector; and
- Enhance entrepreneurship capacity, especially for cookstove distributors and retailers.

One of the grantees selected through this competition was KUSCCO, which created (as a result) a cookstove-specific credit facility called the Jiko Safi Fund, which can be accessed by KUSCCO's network of member SACCOs to on-lend to their individual members for the purchase of fuel-efficient cookstoves. More information on the Jiko Safi Fund is below.

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<sup>1</sup> Within the context of this document a "fuel-efficient cookstove" is one that meets or exceeds the definition of a "Tier 2" cookstove, as defined by the interim ISO International Workshop Agreement Tiers of Performance (>25% thermal efficiency at high power and <.039 MJ/min/L specific consumption at low power). Cookstoves must also meet the Kenya Bureau of Standards (KEBS) performance requirements for household biomass cookstoves (KS 1814-1).

## 2.2. KUSCCO's Jiko Safi Fund

The Jiko Safi fund was launched in April 2014 and is open to all SACCOs who are members of KUSCCO's Central Finance Fund. SACCOs can borrow up to 3x the amount of savings contributed to the fund, and pay back over 6 months with below market interest rates (6% p.a. RB). Funds are for onward lending to SACCOs for the purchase of fuel-efficient cookstoves only. See features below:

### FEATURES OF THE JIKO SAFI FUND

Entrance fee	Kshs. 1,000 (US \$12)
Min Monthly Savings	Kshs. 5,000 (US \$60)
Multiplier	Three times savings
Interest on loan	6% p.a. RB
Max. repayment period	6 Months
Min. Interest Earning Balance	Kshs. 100,000 (US \$1,175)
Interest on Savings	1.5% p.a.

Currently KUSCCO is focusing on the following geographic regions: Nairobi, Rift Valley, Western, Coast (Mombasa) and Mt. Kenya. KUSCCO's regionally-based marketers provide training and follow up support to interested SACCOs on the Jiko Safi Fund. These marketers are paired with local cookstove distributors who can provide training and marketing for specific cookstove products. During the pilot phase all SACCOs were supplied by one local distribution company. Following this successful pilot, KUSCCO is now looking to expand its reach and bring in additional distribution partners.

## 3. Distributor Eligibility and Selection

### 3.1 Distributor Eligibility

Winrock and KUSCCO are seeking Kenyan-based distributors who are **already distributing fuel-efficient cookstoves**. Distributors must (at a minimum):

- Be established and operating businesses for not less than 12 months. Additional years in operation highly desired.
- Have been involved in cookstove distribution for not less than 12 months with proven ability to sell at scale (*minimum* 500+ stoves per month) and with plans to expand. Preliminarily accepted distributors will be asked to provide proof of sales.
- Have adequate financial accounting system that can track donor funds separately and provide quarterly financial reports. Preliminarily accepted distributors will be asked to provide P&L and cash flow reports; show history of working capital management.
- Presence of staff (regionally-based) for sales, marketing and after sales services and demonstration of how existing sales staff can be linked to KUSCCO marketers (and integrate

incentive systems)<sup>2</sup>. Prior training and sound understanding of cookstove product by the sales staff is a plus.

- Proof of adequate distribution infrastructure (such as physical office location with storage facility in regions where KUSCCO is operating the JSF, sufficient distribution vehicles, automated sales tracking system/software, demonstration of strong inventory management capabilities etc.).
- Demonstration of after-sales service (e.g., warrantee-support) systems/structures.
- Demonstrate willingness and ability to partner with SACCOs and KUSCCO marketers in designated regions (existing relationship with SACCOs or comparable institutions for distribution of cookstoves or similar products is highly desired).
- Be available to attend a 1-2 day introductory training for sales staff (tentatively scheduled for late February/early March), as well as various upcoming SACCO functions (AGMs, education days, field days, etc.) as needed to jointly market products with KUSCCO marketing staff.
- Sell stoves that meet ISO IWA 11:2012 interim guidelines of Tier 2 efficiency or higher (stoves sold must be approved by both KUSCCO and Winrock). (see <http://www.cleancookstoves.org/our-work/standards-and-testing/guidelines-and-standards/> for specific values)
- Demonstrate a strong commitment to inclusion of female sales agents and gender considerations in cookstove distribution.

### **3.2 Distributor Selection**

Winrock and KUSCCO will strictly apply the eligibility criteria to all EOIs received. Selected eligible distributors will be included on a ‘pre-approved’ list from which SACCOs can buy stoves. It is envisioned that SACCO connections and introductions will be made based on geographic presence of the eligible distributors. In the case that multiple qualified distributors exist in the same geographic regions, Winrock and KUSCCO reserve the right to apply additional selection criteria to choose distributors for this program, including (list below is not in any particular order of importance):

- Number of years in operation (those with longer track records of successful cookstove distribution may be selected ahead of those with less experience)
- Demonstrated ability to work with financial institutions and integrate operations into the KUSCCO Jiko Safi Fund
- Highest volume of monthly stove sales
- Quality and quantity of trained sales staff (including length of time staff have been with the company)
- Geographic distribution footprint
- Existing distribution of pre-approved stoves (those that are already included in the existing Jiko Safi program)<sup>3</sup>. For those promoting other models of stoves, the highest-performing stove models will be considered more favorably.
- Existing relationships with SACCOs

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<sup>2</sup> KUSCCO marketers currently receive an incentive per stove for stoves sold to SACCOs accessing the Jiko Safi fund, and a slightly reduced per stove amount for cash sales made to SACCOs in their network (even if they do not access Jiko Safi funding).

<sup>3</sup> BURN Jikokoa charcoal stoves and Envirofit M5000 wood stoves.

Preliminary approval to participate in the Jiko Safi fund will be granted by Winrock and KUSCCO to eligible distributors according to these criteria. Additional information may be requested before full approval is granted. Distributors will be required to provide financial information to Winrock as part of the final selection process. Distributors can be dropped from the program if they lose eligibility at any point (including for lack of attendance at trainings/meetings etc.).

Depending on the number of eligible / relevant expressions of interest received there may be very limited grant funding available (no more than ~\$5-15K USD for select distributors) to support new distributors to integrate the Jiko Safi fund into their existing distribution systems. **Grant funding is not guaranteed**, and will not be considered until after initial distributor selections are made.

#### **4. Monitoring, documentation and sharing of results**

Distributors must demonstrate an ability to track the impact of their inclusion in the Jiko Safi fund program on their sales and business operations. The impact of the program on cookstove dissemination should be compared with preexisting/historic cookstove sales in the target region. A demonstrated ability to incorporate mobile monitoring technology to track cookstove sales and distribution data would be a plus.

Distributors joining the program will need to document successful technical approaches to supporting the objectives of the program, and be willing/able to share key findings with other stakeholders in the sector.

#### **5. Submission of EOI**

**Interested distributors should submit by Tuesday, February 10, 2015 at 5pm (East Africa Time) to [kgross@winrock.org](mailto:kgross@winrock.org) and [veronica@kuscco.com](mailto:veronica@kuscco.com)** their EOI using the template attached (Annex A), which includes:

- Organizational description;
- Contact information;
- Confirmation of your company's eligibility (including each of the detailed eligibility points noted in Section 3.1 above).
- A description of your existing distribution system (including geographic footprint, infrastructure, sales team and after sales service provision) and plan for integrating KUSCCO's Jiko Safi fund into existing system. This should include the type/model of stoves proposed for distribution;

You may include additional supporting documentation (proof of eligibility) as attachments. Respondents are advised that Winrock is under no obligation to acknowledge receipt of the information received or provide feedback to respondents with respect to any information submitted. Any proprietary, confidential, or sensitive information should be marked as such with instructions for how information can be used (e.g., for distributor selection process only).

**Annex A: Expression of Interest Form**  
*KUSCCO Jiko Safi Fund Cookstove Distribution Partners*

**Please fill in every field and note that incomplete forms or forms containing incomplete information may not be considered.**

<b>SECTION 1: BUSINESS INFORMATION</b>		
<b>1.1</b>	<b>Company/Organization Name</b>	
<b>1.2</b>	<b>Physical Address</b>	
<b>1.3</b>	<b>Website Address (if any)</b>	
<b>1.4</b>	<b>Telephone</b>	
<b>1.5</b>	<b>Main Contact Person (and email)</b>	
<b>1.6</b>	<b>Secondary Contact Person (and email)</b>	
<b>1.7</b>	<b>Brief description of your company</b>	
<b>1.8</b>	<b>Number of years in business / start date of operations</b>	
<b>1.9</b>	<b>2013/2014 annual income (USD)</b>	
<b>1.10</b>	<b>Number of total employees</b>	
<b>1.11</b>	<b>Number of sales &amp; marketing staff (gender disaggregated - # of men and # of women)</b>	
<b>1.12</b>	<b>Core regions of operation (cookstove sales) within Kenya</b>	

**SECTION 2: ELIGIBILITY**

<b>2.1</b>	<b>Number of years/months distributing cookstoves</b>	
<b>2.2</b>	<b>Current volume of sales (stoves sold / month) – please use most recent three months of sales (Oct – Dec 2014)</b>	Oct 2014 sales: Nov 2014 sales: Dec 2014 sales: 2014 average monthly sales: Prior year average monthly sales (if available):
<b>2.3</b>	<b>Average monthly revenue from stove sales (2014)</b>	
<b>2.4</b>	<b>Type(s) of stoves sold (please include manufacturer and model). <i>Please include testing results as an attachment for stoves other than BURN Jikokoa and Envirofit M5000.</i></b>	
<b>2.5</b>	<b>Location (city/county) of physical office(s)</b>	
<b>2.6</b>	<b>Number of sales staff based in each region of stoves sales</b>	
<b>2.7</b>	<b>Description of regional presence (specify locations of storage facilities/warehouses, vehicles used for delivery, transport routes, etc.)</b>	

<b>2.8</b>	<b>Statement of accounting management capabilities (i.e., # and experience of accounting staff, accounting systems used, ability to generate financial reports, history of audited reports etc.)</b>	
<b>2.9</b>	<b>Statement of inventory management capabilities (include process and details of any software/systems used)</b>	
<b>2.10</b>	<b>Statement of sales tracking capabilities (please explain how you track your stove sales, including any sales tracking software used if any).</b>	

2.11	<b>Overview of training provided to sales staff</b>	
2.13	<b>Please provide a brief explanation of your company's experience working with SACCOs (if any), including specific SACCOs and/or regions. Please include SACCO contact information for reference (if applicable).</b>	
2.14	<b>Statement / examples of commitment to female inclusion and gender considerations in stove distribution.</b>	
2.15	<b>Additional information related to eligibility requirements (if any).</b>	



### SECTION 3: DISTRIBUTION SYSTEM

**In the space below, please include an explanation of your company's current distribution model (including geographic footprint, infrastructure, sales team, and after sales service provision) and your plan for integrating KUSCCO's Jiko Safi Fund into your existing distribution system. If you have experience providing or administering credit to end users please include that here.**

**Please describe your current marketing approach and plans to integrate KUSCCO's Jiko Safi Fund (and regionally-based marketing staff) into your existing marketing strategy.**

**Please describe how you will monitor impacts/results from incorporation of the Jiko Safi fund program on your existing stove sales or business operations.**