CLIMATE FOCUS

GLOBAL ALLIANCE FOR CLEAN COOKSTOVES

New Sources of Climate Finance for Clean Cooking Initiatives

Final Report

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Global Alliance for Clean Cookstoves

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Cover picture: Russ Keyte (2012) Life in the O.R. Tambo District Municipality, Cook Stoves for Africa.

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Content

Preface

Climate finance has a key role to play in the development of a global market for clean cookstoves and fuels. Clean cookstoves can conservatively save one metric ton of carbon dioxide emissions per year under the right conditions, and many models can save two to four times that amount. With additional important benefits for health, development and the local and global environment clean cooking programs should be able to leverage their 'fair share' of private and public sector funding within the realm of climate finance.

In 2013, the Global Alliance for Clean Cookstoves (Alliance) convened a working group to identify opportunities for clean cooking projects to access climate finance. The working group established the long-term objective to channel a fair share of climate finance to the clean cooking sector, with the short term objective to ensure that clean cooking programs/proponents are 'at the table and in the conversation' in the negotiations of a new climate finance architecture that is currently in the making under the UNFCCC. The working group also identified the need for an overview and analysis of potential sources of climate finance that could be accessed in the near term to support the greater adoption of clean and efficient cookstoves and fuels, which led to the commissioning of this report.

The working group met in Zurich in March 2014 to discuss the findings of this report and agreed the Alliance will take the following steps to further unlock some of the opportunities identified:

- Develop a detailed plan for accessing REDD+ finance as this was one of the key opportunities highlighted in the report.
- Engage with the government and other key stakeholders in China on potential to use cookstoves offsets in the developing emissions trading scheme (ETS).
- Join the NAMA Partnership and look for ways to engage with Alliance focus and partner countries to advocate for funding NAMAs related to the clean cooking sector.
- Continue discussions with World Bank and the GEF on enabling access to existing funds and potentially developing new funds to support clean cooking projects.
- Identify and engage stakeholders that are already on or could join the Green Climate Fund advisory panel to advocate for the Energy Access agenda.

I hope you will also find this report to be a useful overview of sources of climate finance and a helpful guide to potential opportunities for the clean cooking sector.

Jen Tweddell

Global Alliance for Clean Cookstoves

1 Introduction

According to the International Energy Agency's World Energy Outlook 2011 (WEO 2011), 2.5 billion people globally are without access to clean cooking facilities and rely on traditional uses of biomass for cooking. This has detrimental impacts on health, livelihoods and the local and global environment. In order to achieve universal access to clean cooking by 2030, the WEO 2011 estimates that USD 3.5 billion in investment is needed each year.[1] This figure includes the investment from cookstove users to purchase improved technologies, in addition to the top-down finance needed to make these technologies available and advocate their use.

As a step towards universal adoption, the Global Alliance for Clean Cookstoves (the Alliance) has set the target of 100 million households adopting clean cookstoves and fuels by 2020. In order to reach this target, the Alliance has embarked on a three-phased engagement approach with the sector with the following phases and objectives[2]:

- Phase 1 (2012 – 2014): Launch global and in-country efforts to rapidly grow the sector
- Phase 2 (2015 -2017): Drive investments, innovation and operations to scale
- Phase 3 (2018 – 2020): Establish a thriving and sustainable global market for clean cookstoves and fuels.

Increasing investment is one of the six value propositions identified in the Alliance's ten-year business plan. In order to reach its goal of 100 million homes adopting clean cooking solutions by 2020, the Alliance is looking to attract a billion dollars in investment in the sector by 2020. This investment is expected to ramp up from USD 75 million in Phase 1, to USD 250 million in Phase 2, and finally USD 750 million in Phase 3.[3] To help drive investment in the sector the Alliance is supporting the development of commercially viable and scalable enterprises through a variety of funds, such as the Alliance's Pilot Innovation Fund, Spark Fund, Clean Cooking Loan Fund, Working Capital Facility and the Women's Empowerment Fund. Additional prioritized actions include:

- Supporting enterprise development through capacity building
- Research and monitoring/evaluation
- Promoting national awareness campaigns
- Advocacy at government and local levels
- Development of standards, testing and labelling for clean cookstoves

In fulfilling its mission, the Alliance is working with a number of national partners, including both donor and implementing countries (see Annex 1 for a list of national partners). Collaboration is currently strongest with six focus countries in Africa and Asia.

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[1] International Energy Agency (2011) World Energy Outlook Energy for All: Financing access for the poor, pg 33

[2] Global Alliance for Clean Cookstoves (2012) Business Plan 2012

[3] Global Alliance for Clean Cookstoves (no date) Increasing Investment in the Clean Cooking Sector: A strategy to drive investment, pg 1

Table 1: Alliance focus countries

	Africa	Asia
Focus countries	Ghana Kenya Nigeria Uganda	Bangladesh China

The priority activities in each country are determined based on the size of the impacted population, the maturity of the market, the magnitude of need, strength of the partner commitment (including government) and ability to contribute to the Alliance's goals.[4] The main activities carried out in the Phase 1 focus countries are outlined in Annex 2.

The aim of this short report is to determine the extent to which climate finance can be accessed by the Alliance or by the sector as a whole to meet its objectives within the next 1 – 4 years. Climate finance lacks a concrete definition[5], but generally relates to mitigation and adaptation finance made available from private and public sector sources. It comprises market-based finance such as the Clean Development Mechanism (CDM) as well as public funds that are labeled climate finance. Climate finance also refers to the commitments made by developed countries in Copenhagen (2009) and Cancun (2010) to provide:

- USD 30 billion in Fast Start Finance over the years 2010 to 2012; and
- USD 100 billion a year by 2020 from a variety of sources.

Financing can be administered through public, private, multilateral and bilateral streams; and typically flows from developed to developing countries (Figure 1).

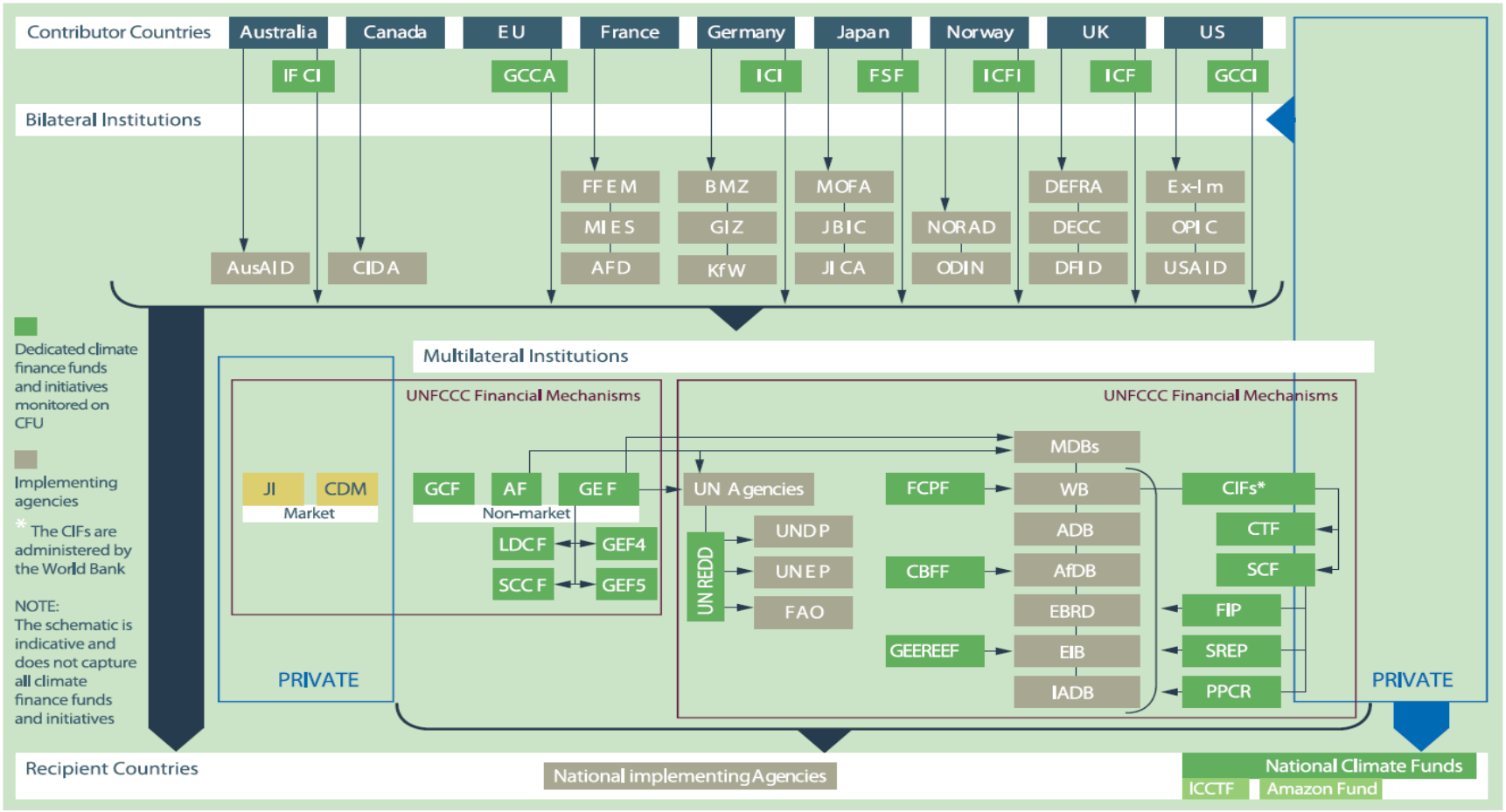
For the purposes of this report we cover the most likely financing options, including market-based and non-market based support available bilaterally and multilaterally. Given the high proliferation of funds related to climate change, this report cannot provide an exhaustive analysis of all financing options but aims to assist in navigating various options and focus on the most relevant ones for the cooking sector.[6]

[4] Global Alliance for Clean Cookstoves (2012) Business Plan 2012.

[5] World Resources Institute (2013) Why is Climate Finance so Hard to Define?, Venugopal, S. and Patel, S., 08 April 2013; IFC (2013) IFC Definitions and Metrics for Climate-Related Activities, October 2013

[6] For a comprehensive list of all climate finance options see http://climatefinanceoptions.org/cfo/index.php, hosted by the World Bank and UNDP.

Figure 1: The architecture of climate funds[7]



[7] Climate Funds Update, full abbreviations available from http://www.climatefundsupdate.org/global-trends/global-finance-architecture

2 Approach

This report examines the suitability of climate finance funding options to support clean cooking programmes and initiatives by looking at four criteria: (1) the extent of available funding, (2) the alignment of funding criteria with the cookstove sector, (3) the geographical areas where funding is disbursed and whether it aligns with the Alliance's focus and partner countries, and (4) the timeline for accessing funding.

Based on an evaluation of these criteria, an assessment is made whether each of the analysed options holds good, some or no immediate potential for supporting the sector and the priorities of the Alliance. The funding options analysed in this report are colour coded green, yellow and red according to the evaluation results. A further colour (violet) is introduced to denote climate finance platforms or mechanisms that do not represent direct funding options but could be relevant groups or topics for the Alliance to join or stay on top of.

Table 2: Explanation of traffic-light rating scheme for climate financing options.

Colour	Explanation
	High potential climate financing option
	Moderate potential climate financing option
	Low/no potential climate financing option
	Not a direct funding option, but are relevant groups/topics for the Alliance to engage with.

In the results section, a table shows an overview of the outcomes of the identification assessment of climate finance opportunities. Each option is then described and highlighted following the structure of this table.

3 Results

	Market Based Finance			Non Market Based Finance			REDD+ Finance	
	Bilateral	Multilateral	Host Country	NAMA funding	Bilateral	Multilateral	Bilateral	Multilateral
Green		World Bank Ci-Dev: Focus on LDCs and energy access projects, funding available	China ETS: 7 pilot schemes of which 5 are operational with 5-10% offsets allowed, China is Alliance focus country	UNDP MDC Carbon: Already supports NAMA studies in sustainable charcoal	Norwegian Investment Fund for Developing Countries: Focus on SMEs and micro-financing segments UK International Climate Fund: Funding adaptive to UK government and host country priorities	Nordic Development Fund: Many cook stove projects in existing portfolio	Norway International Climate & Forest Initiative: Largest bilateral fund, partnerships with key forest nations (e.g. Indonesia and Tanzania)	UN REDD, Forest Carbon Partnership Facility, Forest Investment Programme and Bio CF: Suppliers of REDD phase 2 and 3 funding with pilot initiatives in cookstoves
Yellow	Norwegian Carbon Procurement: Good match but tender oversubscribed Swedish Energy Agency: Good match but tender oversubscribed	World Bank Carbon Partnership Facility: Focus is on large investment programs	ETS/Taxes in Mexico, Turkey, South Africa & South Korea: Schemes are not yet mature	NAMA Facility: Immediate opportunity but high competition for funds EU NAMA Funds: Immediate opportunity but high competition for funds	German International Climate Initiative: Annual tenders but no cooking sector projects in existing pipeline	Green Climate Fund: Main future vehicle for climate finance but capitalization unclear Global Environment Facility: Complex process for accessing funding Clean Technology Fund: Focus on larger clean energy projects	Germany IKI, UK DFID, Australian International Carbon Forest Initiative, US AID: Various REDD Phase 2 support	
Red	Japanese Joint Crediting Mechanism: Focus on Japanese technology, limited funding				Japan Cool Earth Project: Closed in 2013	EU Climate Finance: Can only be accessed if aligned with other programs of EU Member States		
	Opportunities in new conceptual approaches							
		New Market Mechanisms: Disputed concept in UNFCCC negotiations for post-2020 period						
Purple		CDM Voluntary retirement: UNFCCC recognized contribution to climate change mitigation, already functional		NAMA Partnership: Not a funding option, but opportunity to liaise with NAMA financiers/intermediaries		Results based finance: Donor interest to apply CDM concepts in development finance		

3.1 Market based climate finance (carbon finance)

Market based climate finance, more commonly referred to as carbon finance, refers to money that is made available for the purchase of emission reductions. Emission reductions are treated as a commodity that are sold in contractual arrangements and paid for after delivery. Traditionally, the private sector demand for CDM credits constitutes the largest source of carbon finance. However, due to the oversupply of allowances and credits in the European Emissions Trading Scheme (EU-ETS), the only scheme that is generating international demand for CDM credits, private sector demand is no longer a relevant off-take option for new projects. This section therefore focuses on bilateral and multilateral initiatives that are currently accepting carbon credits from new projects.

3.1.1. Bilateral initiatives

NEFCO Norwegian Carbon Procurement Facility (NorCaP)

The NorCaP is wholly funded by the Norwegian government and managed by the Nordic Environment Finance Corporation (NEFCO), an international finance institution established by the five Nordic countries. It aims to provide forward purchases of Certified Emission Reductions (CERs) from commissioned CDM projects and programmes that are at risk of termination due to low carbon credit prices. Eligible projects can be located in any host country not listed in Annex B of the Kyoto Protocol[8]. In total, the NEFCO NorCaP aims to purchase 30 million CERs during its operation. Finance is awarded directly to project developers through CER purchases over fixed-term Emission Reduction Purchase Agreements (ERPAs) extending from 2013 to 2020.

Applications must be made by a Project Participant of a CDM project or programme, offering minimum of 300,000 CER from a registered project/programme. For projects located in a Least Developed Country (LDC) there is no minimum transaction volume. The first call for applications for finance under NEFCO NorCaP was launched in early January 2014. The proposals received were capable of delivering seven times the total 30 million carbon offsets per CER[9]. The evaluation criteria for selecting proposals are the price, CER delivery risk and uncertainty. NEFCO is expected to announce the shortlisted projects during mid April 2014. It is unclear when the next call for proposals will be issued, if at all. The considerable oversubscription for the first call may mean that a further call for proposals is not necessary.

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[8] I.e. any country other than the 15 EU member states, Bulgaria, Czech Republic, Estonia, Latvia, Liechtenstein, Lituania, Monaco, Romania, Slovakia, Slovenia, Switzerland, US, Canada, Hungary, Japan, Poland, Croatia, New Zealand, Russia, Ukraine, Norway, Australia or Iceland.

[9] Point Carbon (2014) Norway's Carbon Offest Purchase Scheme 7 times Oversubscribed, 27 January 2014, available from: http://www.pointcarbon.com/news/reutersnews/1.3832261

Table 3: Evaluation of NEFCO NorCap

Rating	Criteria	Description
	Alignment with cookstove sector	The cookstove sector, or energy efficiency projects, are not prioritised
	Priority countries/regions	No specific countries/regions are given priority, but all Alliance focus and partner countries are eligible.
	Timeline for realisation	Unknown – it is not clear when the NEFCO NorCaP will issue a second call for proposals, if at all. The first call was hugely over-subscribed.

Swedish Energy Agency (SEA)

The Swedish Energy Agency launched a call for CDM proposals[10] for the purchase of 10 million CERs in February 2014. Priority was given to renewable energy, energy efficiency and waste management activities in sub-Saharan Africa and South East Asia; with activities in Least Developed Countries (LDCs) and underrepresented regions (i.e. with less than 10 registered CDM projects) of particular interest. Additional considerations include the activities' cost efficiency, contribution to sustainable development, leveraging of private funding and activities with innovative and transformative potential. Developers of over 350 projects in more than 50 countries have responded to the tender, offering 16 times the requested quantity of CERs.[11]

Any individual project or programme can offer 200,000 – 800,000 CERs generated during 1 January 2013 – 31 December 2020, which will be delivered via fixed-term Emission Reduction Purchase Agreements (ERPAs) extending from 2013 to 2020. The Swedish Energy Agency intends to fund up to 40 million tons of CER purchases as part of the Swedish national emissions target for 2020. Just over half of this volume has now been committed, with the most recent tender soliciting a further 10 million CERs. It is unclear when the next call for proposals will be issued, if at all. The considerable oversubscription for the most recent call may mean that a further call for proposals is not necessary.

Table 4: Evaluation of SEA

Rating	Criteria	Description
	Alignment with cookstove sector	Projects in energy efficiency are prioritised, but the cookstove sector is not explicitly mentioned.
	Priority countries/regions	Priority is given to projects located in Sub-Saharan Africa and South East Asia. LDCs and underrepresented regions are of particular interest. Projects in China are not prioritised.
	Timeline for realisation	Unknown – it is not clear when the SEA will issue a second call for proposals, if at all. The first call was hugely over-

[10] Further details available from SEA (2014) here: https://www.energimyndigheten.se/en/Cooperation/For-a-better-climate/Flexible-mechanisms-for-monitoring-green-house-gas-emissions/Swedish-CDM-and-JI-climate-programmes-/Call-for-CDM-proposals-/

[11] Point Carbon (2014) Swedish Carbon Offset Buy-Tender Draws 16 Times Offered Amount, 20 February 2014, available from: http://www.pointcarbon.com/news/reutersnews/1.4223553?&ref=searchlist

subscribed.

Joint Crediting Mechanism (Japan)

The Joint Crediting Mechanism (JCM), also sometimes referred to as Bilateral Offset Crediting Mechanism (BOCM), is a bilateral crediting mechanism that has been established by the Government of Japan to promote investment and deployment of low carbon technologies in developing countries. The JCM is available to developing countries that have signed a bilateral agreement with Japan, which currently includes: Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Vietnam, Laos, Indonesia, Costa Rica and Palau. The mechanism gives preference to the use of Japanese technology by offering an investment grant of up to 100% for the feasibility study cost and up to 50% for eligible investment costs, in case the project incorporates Japanese technology. The exact modalities and procedures for the disbursements of grants and subsidies are still under development. The total allocated budget for 2012/2013 was USD 30 million. The budget for 2014 is currently unknown.[12]

Similar to the CDM, projects registered under the JCM issue carbon credits, known as Japanese Voluntary Emission Reductions (J-VERs). The resulting emission reduction units are shared between Japan and the host country and are conceived to be counted towards the international emission reduction pledges of both countries. At the moment J-VERs are not tradable to other countries or private entities. As a result, the Japanese carbon credits do not currently have a market price. It is unclear whether the international community will indeed recognize the resulting emission reductions from JCM under the UNFCCC as the mechanism is conceived outside the regulations of the CDM. Discussions on the minimum criteria for cross-boundary transfers of emission reductions are currently ongoing in the negotiations of the UNFCCC Framework for Various Approaches.

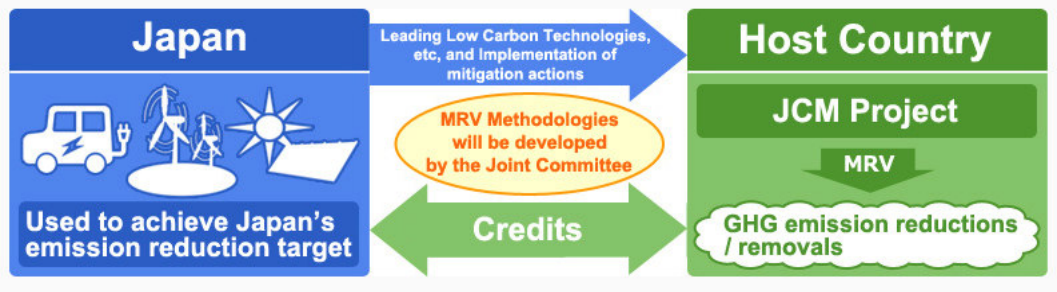


Figure 2: Japanese Joint Crediting Mechanism

The JCM may provide a funding possibility for cookstove projects in the countries that have signed bilateral agreements with Japan, as both governments determine which technologies and products should be included in the eligible projects under the JCM. The feasibility studies that have been performed for the JCM in 2012 and 2013, however, did not include cookstoves, which may indicate that cookstoves are not a priority technology.

[12] Government of Japan (2012) *Japan's initiatives on the Bilateral Offset Credit Mechanism (BOCM) and other activities for developing countries*

Like the CDM, the JCM requires the project developer to draft a technical document describing how the proposed project meets the applicability criteria of the JCM. It is currently unknown how much time is needed for the project cycle to be completed, but guidance foresees a similar procedure as under the CDM whereby submitted documentation needs to be validated by an external auditor before official registration at the JCM is requested.

Although the JCM may offer an alternative route to market for carbon credits generated by clean cookstove projects, there is currently no active trading of J-VERs. This makes forecasting of future price development and long-term revenue potential challenging. The implication is also that it may take many years before accumulated emission reductions can be issued and sold on the market.

Table 5: Evaluation of the JCM

Rating	Criteria	Description
	Alignment with cookstove sector	No indication yet that cookstoves is a technology that is of interest under the JCM
	Priority countries/regions	Bangladesh, Kenya (Alliance focus countries) Ethiopia, Laos, Mongolia, Vietnam (Alliance partner countries), Costa Rica, Indonesia, Maldives, and Palau
	Timeline for realisation	Long-term

3.1.2. Multilateral initiatives

Carbon Initiative for Development (Ci-Dev)

The Carbon Initiative for Development (Ci-Dev) is an initiative of the World Bank's Carbon Finance Unit that so far has been supported by the UK and Swedish governments. Its aim is to bring the benefits of carbon finance to least developed countries and those with insufficient access to energy. Ci-Dev is using the framework of the CDM to disburse results-based finance to projects in least developed countries and sub-Saharan Africa (see also section 4.5 on Results Based Finance). It consists of a Readiness Fund and a Carbon Fund:

The **Readiness Fund** (USD 23 million) finances technical work and capacity building activities. Its focus areas include:

- Supporting poor countries' Designated National Authorities (DNAs) to develop standardized baselines in such key areas as rural electrification, household energy access and energy efficiency;
- Ensure the crediting of low-carbon projects in energy poor countries by establishing "suppressed demand" accounting standards; and
- Contributing proposals to further improve and extend the scope of the CDM towards new market mechanisms for use by the poorest countries.

The **Carbon Fund** (USD 53 million) provides performance-based-payments to energy access programs in the form of purchases of Certified Emission Reductions (CERs) while supporting the

costs of the project cycle. It is envisaged that the Fund will support 5-10 projects which are selected through a public tender process.

Table 6: Evaluation of Ci-Dev

Rating	Criteria	Description
	Alignment with cookstove sector	Priority given to renewable energy access programs (biogas, solar home systems, micro/mini hydro, etc.). Other supported technology types include grid extension, cookstoves, water filters, etc.
	Priority countries/regions	Least developed countries and sub-Saharan Africa
	Timeline for realisation	A call for projects closed on 28 February 2014. First projects expected to deliver in 2015.

Carbon Partnership Facility

The Carbon Partnership Facility (CPF) of the World Bank is a carbon finance instrument targeting the post-2012 period. Rather than concentrating on individual projects it focuses on scaled-up interventions, such as low carbon policies and sectoral initiatives that are consistent with low-carbon economic growth and the sustainable development priorities of developing countries. The targeted interventions include support to Programmes of Activities, energy efficiency programs, city-wide approaches as well as piloting of new market mechanisms.

The CPF consists of two trust funds: (i) the Carbon Asset Development Fund (CADF) to prepare and implement emission-reduction programs, and (ii) the Carbon Fund (CF) to purchase carbon credits from the pool of emission reduction programs. Donors to the CADF include the Governments of Spain, Norway and Italy, and the European Commission. Buyer participants in the CF are the Governments of Spain, Norway and Sweden.

The first two tranches of the Carbon Fund have largely been committed. The CPF has supported governmental investment programs in clean energy, waste and transportation from Fonds D'equipement Communal of Morocco, Caixa Econômica Federal of Brazil, the Ministry of Industry and Trade of Vietnam, the Provincial Electricity Authority of Thailand, the Hebei Green Agriculture Company, the Rural Energy Agency of Tanzania, the Ministry of Finance of the Arab Republic of Egypt and the Land Bank of the Philippines. However, a recapitalization of the fund is envisaged.

Table 7: Evaluation of the Carbon Partnership Facility

Rating	Criteria	Description
	Alignment with cookstove sector	No cookstove programs have been funded to date. Large-scale investment programs are eligible. Alignment with World Bank operations is an asset.
	Priority countries/regions	The CPF works as a partnership between buyers and sellers. Current seller partners are entities from Morocco, Brazil, Vietnam, Thailand, China, Tanzania, Egypt, Jordan and the Philippines

	Timeline for realisation	No information provided. However, the CPF started in 2010 and by now has eight programs under development so opportunities seem to be short term.

3.1.3. Emerging carbon pricing initiatives

Carbon pricing initiatives, whether emission trading schemes or carbon taxes, are being implemented and considered in various emerging economies such as China, Turkey, South Africa, South Korea, Brazil, Mexico, and Chile.[13] Many of these schemes provide opportunities for domestic offset programmes as a way to reduce the costs of the scheme. These domestic offset programmes may create financing opportunities for the cookstove sector. For example, China, which has launched seven pilot emission trading schemes with a view to creating a national emissions trading scheme, is setting up a domestic offset programme similar to the CDM. The Chinese have approved CDM methodologies for the domestic offset programme that include methodologies for cookstove projects.[14] This means that cookstove projects can access financing through the sale of Chinese CERs. On the other hand, South Africa is considering a carbon tax which would offer domestic offsets as an exemption from the tax. The South African carbon tax is currently still being designed and discussed and it is not yet clear whether the domestic offset scheme or programme would include cookstove projects.

It may be interesting for the Alliance to consider the emerging carbon pricing initiatives in countries where cookstoves projects would be feasible, such as Mexico or South Africa (where a carbon tax will soon be implemented), and together with the governments of those countries, develop the necessary policy instruments to allow for financing to flow towards cookstove projects. Currently, China is the only scheme where cookstove projects are included in the domestic offset programme.

Table 8: Evaluation of China ETS

Rating	Criteria	Description
	Alignment with cookstove sector	Cookstove projects fall under the Chinese domestic offset programme.
	Priority countries/regions	China (Alliance focus country)
	Timeline for realisation	Chinese cookstove projects that have already been implemented but are not registered under the CDM or those that are registered but do not have issuances yet may apply to the Chinese domestic offset programme.

[13] For a complete overview of emerging carbon pricing initiatives, see the World Bank report 'Mapping Carbon Pricing Initiatives', 2013 and the website of the International Carbon Action Partnership (ICAP): https://icapcarbonaction.com/

[14] The methodologies that have been approved for the Chinese scheme can be found here: http://cdm.ccchina.gov.cn/nDetail.aspx?newsId=39507&TId=20 (note the corresponding CDM methodology numbers).

Table 9: Evaluation of emerging carbon pricing initiatives (other than China)

Rating	Criteria	Description
	Alignment with cookstove sector	Although cookstoves have not been identified as priority sector within domestic offset programmes, cookstove projects would fit very well in many developing countries considering such carbon pricing initiatives.
	Priority countries/regions	Mexico, South Africa (Alliance partner countries), Brazil, Chile, South Korea, Turkey,
	Timeline for realisation	Varies according to the maturity of the scheme.

3.1.4. Market based approaches under negotiation

Voluntary retirement

In an effort to expand the use of the CDM and unlock new sources of demand for its credits the Executive Board of the CDM in 2013 created procedures for the voluntary cancellation of Certified Emission Reductions (CERs). While CERs can originally only be used by countries with an emission reduction commitment under the Kyoto Protocol (Annex B countries), the new procedures enable virtually anyone to use the CDM for reducing greenhouse gas emissions through voluntary retirement: developed or developing country governments, companies and even individuals. The largest user of voluntary cancellation to date has been the Government of Canada. Having withdrawn from the Kyoto Protocol it requested the World Bank as Trustee of Carbon Funds to cancel all emission reductions resulting from its participation in these Funds. Beyond that, voluntary cancellation has only been used in modest amounts so far.[15] The CDM registry administrator has opened a designated account, the Voluntary Cancellation Account, in the CDM registry for the purpose of voluntary cancellation by project participants.

While the new procedures provide governments, companies and others with a means of retiring carbon in a UNFCCC recognised fashion they do not constitute a source of funding per se. Rather, voluntary cancellation could be a means to motivate bilateral donors and others to provide financing to emission reduction projects. This mechanism could be useful for the Alliance to lobby both host country governments and donor countries to provide financing if they can obtain internationally recognised credits in return.

Table 10: Evaluation of voluntary retirement

Rating	Criteria	Description
	Alignment with cookstove sector	Emission reductions from all registered CDM projects can be cancelled, which includes the cookstove sector. However, it is not evident that priority to any particular sector is given.
	Priority countries/regions	All countries which are eligible to host CDM projects.
	Timeline for realisation	Immediate: voluntary cancellation is operational.

[15] http://cdm.unfccc.int/Registry/vc_attest/index.html

New Market Mechanisms

Rather than being a funding option in and by itself the New Market Mechanisms (NMM) stands for the introduction of new market-based approaches under the UNFCCC in an effort to scale-up carbon markets and expand their reach. Promoted particularly by the European Union, the NMM was initially adopted at COP16 in Durban (2012) but remains unspecified and therefore non-operational till this date. At COP19 in Warsaw (2013), Parties could not fulfil the mandate to elaborate the Modalities and Procedures for the NMM and left without an agreement being reached. Based on the current state of negotiations NMM could be different from existing mechanisms, particularly the CDM, in terms of ambition and scope by[16]:

- Going beyond offsetting and resulting in net mitigation[17]
- Using NMM units not only under the Kyoto Protocol, but also under the Convention
- Next to crediting, allowing also for trading with or between developing countries
- Covering broad segments of the economy
- Introducing more flexibility and more responsibilities for host countries

Being one of the elements of the envisaged broad new treaty on climate change to be finalized in Paris (the "2015-agreement"), negotiations of the NMM are linked to other crunch issues in the negotiations, including the provision of financing by developed countries to developing countries, the raising of the ambition level of developed country targets and the adoption of emission reduction commitments (or contributions) by developing countries. Negotiation of the NMM is further linked to two other work agendas that were introduced into the UNFCCC in response to the NMM work agenda:

- Non-market based approaches (NMA)
- A Framework for Various Approaches (FVA) serving as a bracket around both market- and non-market based approaches when it comes to cross-border transfers of emission reductions.

Table 11: Evaluation of New Market Mechanisms

Rating	Criteria	Description
	Alignment with cookstove sector	No particular sector targeted
	Priority countries/regions	Advanced developing countries that take on commitments in the fight against climate change.
	Timeline for realisation	Part of the 2015 Agreement that will govern climate change action after 2020.

[16] UNFCCC: Outcomes of the workshops on the new market-based mechanism, presented by the co-facilitators of the workshop at Warsaw, 11 November 2013, see: http://unfccc.int/files/meetings/warsaw_nov_2013/application/pdf/outcomes_of_the_workshop_on_the_new_market-based_mechanism.pdf

[17] A net decrease of emission reductions in the context of carbon offset mechanisms means that each offset credit issued is associated with more emission reductions than actually credited. For example, a project reducing two tons of CO2, only receives one carbon credit.

3.2 Non-market based climate finance

Non-market based climate finance does not put a price on carbon but rather looks at the incremental costs or the identifiable additional costs of a project. The additional cost is defined as the difference between the cost of a low carbon intervention and the cost of a less sustainable, more polluting alternative. The bulk of finance from non-market based climate finance is channelled as grants and concessional loans through multilateral and bilateral climate funds. Many established climate funds have their origin in the UNFCCC, including the Green Climate Fund and the Global Environmental Facility. The supported policies – and projects – when taking place in a UNFCCC context are often referred to as Nationally Appropriate Mitigation Actions (NAMAs). Bilateral and multilateral funds are also being launched outside the UNFCCC framework, with some major channels including development banks such as the World Bank and the African Development Bank.

3.2.1. NAMA funding

Nationally Appropriate Mitigation Actions (NAMAs) refer to voluntary emission reduction measures undertaken by developing countries that are reported by its governments to the UNFCCC. While NAMAs can be unilateral activities undertaken by host countries, they emerge as a common vehicle for accessing climate finance support. NAMAs can be policies, programmes, or projects implemented at national, regional, or local levels. The international framework for NAMA is still under development but some developing countries have already started developing pilot projects. A number of developing countries have submitted NAMA proposals to the UNFCCC, however, there are no NAMAs proposed yet that include cookstoves. There are however NAMA submissions and studies targeting sustainable charcoal.[18]

NAMAs are typically financed by the host country but can apply for co-funding from an investor country. Gaining access to the funds available for NAMAs requires closely liaising with relevant project officers. As such, accessing climate finance through a NAMA proposal can be a time-consuming and lengthy process - lobbying and liaising with the host country government will be required and drafting a NAMA proposal does not have a guaranteed outcome for finance.

Funding and support can be found for the different stages of development of a NAMA. Knowledge sharing and best practices can be sought through the NAMA Partnership. For NAMA proposal drafting or preparation, support may be sought from UNDP. Finally, NAMA implementation can be financed, among others, through the NAMA Facility.

UNDP Millennium Development Goal (MDG) Carbon Facility

UNDP launched the MDG Carbon Facility with the dual purpose of broadening access to carbon finance by enabling a wider range of developing countries to participate and promoting emission reduction projects which contribute to the MDGs by yielding additional sustainable development and poverty reduction benefits. The programme also assists countries to access climate finance by promoting a hands-on approach and maximizing potential of in-country resources. UNDP's MDG Carbon Facility has helped to finance the development of Cookstove PoAs in the DR Congo,

[18] See UNEP Risoe NAMA database, UNFCCC NAMA registry at http://www4.unfccc.int/sites/nama

Rwanda and Cameroon, and Vanuatu, as well as NAMA studies and NAMA proposal drafting.[19] It has supported a NAMA study for sustainable charcoal in Uganda and recently commissioned another charcoal NAMA study for the ECOWAS region[20]. Although there are no clear guidelines on how to receive financial support from the UNDP MDG Carbon Facility, its priorities are aligned with those of the cookstove sector and the Alliance. A cooperation between the Alliance and the UNDP MDG Carbon Facility may therefore be fruitful in supporting the cookstove sector to access sources of climate finance through NAMA studies and development.

Table 12: Evaluation of UNDP MDG Carbon Facility

Rating	Criteria	Description
	Alignment with cookstove sector	The cookstove sector fits the objectives of the MDG Carbon Facility very well as emission reductions are achieved as well as additional sustainable development and poverty reduction benefits.
	Priority countries/regions	Any developing country.
	Timeline for realisation	Unclear.

NAMA Facility

The NAMA Facility was jointly established by Germany and the United Kingdom at the end of 2012. In 2013 Germany and the UK contributed EUR 70 million in funding to support developing countries and emerging economies that show leadership on tackling climate change and want to implement NAMAs. Funding of EUR 50 million will be launched in 2014.

The NAMA Facility provides grants up to EUR 15 million for the implementation of NAMA pilots. The NAMA Facility works through an open tender procedure and does not have any preference for a country or sector. There is an objective set of selection criteria, including:

a. Transformational potential;
b. Co-benefits;
c. Financial ambition;
d. Mitigation potential.

The NAMA Facility requires that the funded project is a discrete set of activities, which can be carried out within a determined period of time. Any emission reductions attributable to the funding by the NAMA Facility need to be surrendered. In the first round (2013), 43 proposals were submitted, of which five were selected for funding.
The NAMA Facility may be a possibility for the cookstove sector to access climate finance through host countries. As the NAMA Facility is meant for NAMA implementation, a NAMA

[19] MDG Carbon Newsletter Issue 1, 2014, available at: http://www.undp.org/content/dam/undp/library/Environment%20and%20Energy/MDG%20Carbon%20Facility/MDG%20Carbon_Newsletter_01.pdf

[20] Economic Community Of West African States (ECOWAS). Includes the 15 West African States of Benin, Burkina Faso, Cabo Verde, Cote D'Ivoire, Gambia, Ghana, Guinee, Guinee Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Seirra Leone and the Togolese Republic.

proposal should be ready before submission to the NAMA Facility. Given that no prepared NAMA proposals in the cookstove sector currently exist, the timeline for realization of accessing climate finance through the NAMA Facility is estimated at a minimum of two years, since NAMA proposal drafting would need to be included.

Table 13: Evaluation of NAMA Facility

Rating	Criteria	Description
	Alignment with cookstove sector	There are no sector priorities under the NAMA Facility.
	Priority countries/regions	No priority countries or regions under the NAMA Facility.
	Timeline for realisation	Minimum 2 years.

NAMA Partnership

The NAMA Partnership is not a funding option, but a partnership of various organizations (multilateral organizations, bilateral cooperation agencies and think tanks) to enhance collaboration and complementarity of the activities of the different organizations to accelerate support of developing countries in preparation and implementation of their NAMAs. The partnership aims to identify best practices and share knowledge to facilitate the preparation and implementation of NAMAs in developing countries.

The NAMA Partnership is an interesting organization for the Alliance to seek collaboration in the development of NAMAs that promote the use of cookstoves.

Table 14: Evaluation of NAMA Partnership

Rating	Criteria	Description
	Alignment with cookstove sector	No direct alignment with the cookstove sector
	Priority countries/regions	Any developing country
	Timeline for realisation	Not a financing option, but a cooperation that may lead to the development of a cookstove NAMA.

3.2.2. Bilateral and regional facilities

Norwegian Investment Fund for Developing Countries (Norfund)

Norway is one of the largest contributors to climate finance in the world, relative to the size of its economy. The major share of Norwegian bilateral climate finance goes through the International Climate and Forestry Initiative (ICFI), which focuses on mitigation measures under REDD+ and is discussed in more detail later. Norway also finances the Norfund, which invests in profitable projects implemented by sustainable enterprises in Least Developed Countries (LDCs). The objective of the Norfund is to promote business development and contribute to economic growth and poverty reduction. The total Norfund portfolio is 1.3 billion, provided directly to projects through equity (35% ownership share, USD 4 – 100 million) and loans (usually provided to

companies which have already accessed the equity funding). Almost half of all funding goes to renewable energy projects, typically hydro and wind. 22% of funding goes to financial institutions that are locally owned and have promising growth potential.[21] Focus is especially on Small and Medium Enterprises (SMEs) and micro-financing segments. Norfund also invests in SME funds that have a pronounced development profile and where there is a clear lack of capital.[22] The investment horizon is 5 – 10 years.

Interesting entry points for the Alliance could include:

- Identifying and supporting financial institutions offering micro-finance to facilitate affordable access to clean cooking to apply for Norfund finance
- Identifying and supporting SME funds that could apply for Norfund finance.

Table 15: Evaluation of Norfund

Rating	Criteria	Description
	Alignment with cookstove sector	Direct investment in the cookstove sector is not prioritised by Norfund. However, Norfund does invest in financial institutions offering micro-finance and SME support funds, which could be directed towards the cookstove sector.
	Priority countries/regions	Includes the Alliance's focus countries (Bangladesh, Kenya, Uganda) and partner countries (Guatemala, El Salvador, Nicaragua, South Africa, Lesotho, Malawi, Tanzania, Rwanda, Vietnam, Laos and Cambodia). Other focus countries include Honduras, Panama, Costa Rica, Angola, Namibia, Swaziland, Mozambique, Zimbabwe, Zambia, Madagascar, Burundi and Myanmar.
	Timeline for realisation	Estimated 1- 2 years: applications must submit a business plan, which is reviewed and negotiated, then go through a due diligence process (including site visit).

International Climate Fund (ICF), United Kingdom (UK)

In 2011 the UK government allocated GBP 3.7 billion (USD 6.14 bln) to tackle the impact of climate change on developing countries. In order to monitor and administer the funding process, the International Climate Fund (ICF) was created. Its purpose is to allocate the funding up to March 2016. As of December 2013, GBP 1.87 billion (USD 3.1 bln) has been allocated. The objectives of the ICF are to support poverty reduction by helping developing countries to adapt to climate change, facilitate low carbon growth and tackle deforestation. The ICF is used to help the UK meet its foreign aid objectives and international obligations. Finance is provided mostly via grant funding and concessional (below market interest rate) loans.

[21] A full list of current financial institutions supported is available from http://www.norfund.no/financial-institutions/category315.html

[22] A full list of current SME funds is available from http://www.norfund.no/sme-funds/category316.html

There are no specific regions that are targeted by the ICF. In practice, 50% of the available funding is allocated to adaptation projects, 30% to low carbon development and 20% to forestry projects.

The fund does not allow organisations to apply for funding through a formal application process. Instead, officials from the UK Government[23] are invited to present their own proposals that are then considered by ICF secretariat. Government official work closed with developing country governments to develop a proposal for ICF funding. The UK government takes an active role in identifying projects that could benefit from ICF funding, as opposed to calling for project proposals.

Once the department officials submit their proposals, ministers then consider these proposals based on their relative merits and there adherence to the aforementioned criteria. To access funding from ICF the Alliance will need to cultivate relationships with UK government offices that coordinate UK development aid.

If the Alliance is able to successfully lobby the UK government, it is likely that they would be able to secure funding based on the merits of their project goals. While the fund has not explicitly expressed an interest in clean cookstove projects, it is probable that the ICF would have interest in supporting clean cook stove initiatives since they promote low carbon development.

Similar investments by the ICF have either been supplied to multilateral development organisations such as the World Bank, or have been structured with the funding being released to a project contractor, with the UK Government providing an oversight role. Funding will likely be provided directly to the Alliance who will then have scope to utilise this funding to achieve the objectives outlined by the ICF.

Table 16: Evaluation of ICF

Rating	Criteria	Description
	Alignment with cookstove sector	Indirect – there has been no specific mention of the desire to support the clean cookstove sector, however the objectives of the fund align with the Alliance's objectives.
	Priority countries/regions	There are no specific countries earmarked for support, funding is often released to organisations working multilaterally.
	Timeline for realisation	As funded projects are decided internally, there is no available information on how long it may take to receive funding. However the ICF fund aims to exhaust its funding by the end of March 2016.

[23] Official can be located either outside the UK (usually FCO and DFID) or within the UK, Including Department of Energy & Climate Change (DECC), The Department for International Development (DFID), The Foreign & Commonwealth Office, Department of Environment, Food and Rural Affairs (Defra) as well as Her Majesty's Treasury.

Germany: The International Climate Initiative (IKI)

Germany is among the leading countries in developing climate finance at this moment. The German Federal Ministry for the Environment, Nature Conservation, Building, and Nuclear Safety (BMU) has initiated a number of cooperation projects focusing on both adaptation and mitigation. Priorities of BMU are currently the elaboration of a market mechanism and piloting NAMAs. The main funding goes through climate-related Official Development Assistance (ODA) funding, the IKI programme and the NAMA Facility (described above).

The International Climate Initiative (IKI)[24] provides grants of up to EUR 5 million. It works as an open public tender which can be applied for once a year. The IKI supports projects in developing countries, emerging economies and countries in transition. Eligible projects must fall in one of four supported areas:

- Mitigating greenhouse gas emissions
- Adapting to the impacts of climate change
- Conserving natural carbon sinks with a focus on reducing emissions from deforestation and forest degradation (REDD+)
- Conserving biological diversity

The projects are based on the needs of partner countries and supplement existing multilateral and bilateral cooperation with the German Government. A broad range of activities can be supported including the preparation of studies and strategies, and the implementation of measures for climate protection and conserving biodiversity through technology cooperation, policy advice and capacity development. Applicants can include implementing organisations, governmental organisations, non-governmental organisations, commercial enterprises, higher education institutions, research institutes and international and multilateral institutions from Germany and abroad.

Table 17: Evaluation of IKI

Rating	Criteria	Description
	Alignment with cookstove sector	In its existing pipeline in the area of mitigation, IKI has a focus on clean energy projects (solar, waste, biogas and electromobility), energy efficiency in SMEs and buildings as well as green financing products, labelling and the development of NAMAs and MRV concepts. No projects in the cooking sector have been financed so far.
	Priority countries/regions	All countries are eligible, but German focus countries are given priority, including China (Alliance focus country) and South Africa, Vietnam and Mexico (Alliance partner countries), among others.
	Timeline for realisation	Annual tenders. About two years lead time from preparation and lobbying of the idea with BMU to start of the project.

[24] http://www.international-climate-initiative.com/en/

Hatoyama Initiative or Japan's Fast Start Finance

The 'Cool Earth Partnership' was launched in 2008, then replaced by the Hatoyama Initiative and now is referred to as Fast Start Financing (Prime Minister Hatoyama resigned in 2010). Japan provided funds amounting approximately to USD 15 billion for five years to developing countries making efforts to reduce greenhouse gas emissions to enable them to achieve economic growth in ways that will contribute to climate stability. The funds were dispersed on the basis of policy consultations and bilateral agreements between Japan and those countries. Measures focused on mitigation and adaptation were considered eligible for funding. One example of a Cool Earth Partnership was the Climate Change Program Loan for Indonesia, agreed in July 2008. A total of up to USD 300 million was made available for activities in the forestry, energy, and commercial sector as well as for water resource management.

The Cool Earth Partnership/Hatoyama Initiative/Fast Start Finance ran from 2008 until 2012. It is no longer a viable funding option for the cookstove sector.

At the climate negotiations in Warsaw in 2013, the Japanese Government pledged to provide an additional USD 16 billion of funding over the next 3 years.[25] The formal arrangement however has not been published. It is likely that much of the funds will focus on disaster risk reduction, possibly via the Stand-by Emergency Credit for Urgent Recovery, which allows Asian developing countries to quickly draw down loans in the event of a disaster. It has also been stated that three billion are expected to come from the private sector, which may possibly flow through the Japanese Bilateral Offsetting Crediting Mechanism detailed above.

Table 18: Evaluation of the Hatoyama Initiative

Rating	Criteria	Description
	Alignment with cookstove sector	The fund is closed.
	Priority countries/regions	The fund is closed.
	Timeline for realisation	The fund is closed.

3.2.3. Multilateral facilities

Nordic Development Fund (NDF)

The NDF is a climate finance fund initiated by the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) and is financed through their development cooperation budgets. The fund's objective is to facilitate climate change investments (both mitigation and adaptation) in low-income countries. The NDF funding is provided in the form of co-financing grants from 2 - 5 million EUR that is channelled through the World Bank, ADB, IADB or AfDB, as well as Nordic bilateral development organisations. Funding is intended to provide only part of the financing needs, with the rest covered by the multilateral development banks.

[25] Bloomberg Sustainability (2013). Climate Finance Battle Shows Expectation Gap at UN Talks. http://www.bloomberg.com/news/2013-11-20/climate-finance-battle-shows-expectation-gap-at-un-talks.html

The NDF provides grants by co-financing which normally constitutes only a component of a project or programme, with remaining funding channelled through the World Bank, AfDB, ADB and IDB[26]. Projects are identified by governments in partner countries according to national priorities, with host country project ownership being key. Grants are provided mainly for technical assistance (e.g. consulting services) and investments. The procedure for accessing financing involves the prospective co-financiers submitting a proposal to NDF staff, which is then initially reviewed before being forwarded to the NDF Board for consideration.[27] All projects submitted must have a national executing agency and a lead agency (ie. the World Bank, ASD, IADB, AfDB or other donor agency).

The activities supported by the NDF are very broadly defined as follows:

- Infrastructure (energy, transport, urban development and water management, climate vulnerability/resilience)
- Natural resources (water resources management, sustainable land use and forestry, coastal zone management)
- Climate change related capacity building.

Table 19: Evaluation of NDF

Rating	Criteria	Description
	Alignment with cookstove sector	High – the NDF is supporting a large number of clean cooking initiatives already.[28] A proactive focus on gender issues is also important in all NDF-supported projects.
	Priority countries/regions	Alignment with the focus countries of the Alliance include Ghana, Kenya, Uganda, Bangladesh and partner countries include Burkina Faso, Ethiopia, Malawi, Rwanda, Tanzania, Cambodia, Laos, Mongolia, Nepal, Sri Lanka and Vietnam. Other focus countries of NDF include Benin, Cape Verde, Mozambique, Senegal, Zambia, Zimbabwe, Kyrgyz Republic, Maldives, Pakistan, Bolivia, Honduras and Nicaragua.
	Timeline for realisation	Unclear

Green Climate Fund

The Green Climate Fund (GCF) is expected to be the mechanism through which a large share of scaled-up global climate finance will be channelled in the future. The GCF is not yet operational so it remains to be seen how the fund, which is expected to be several times larger than the biggest multilateral climate funds existing today, will affect the global climate finance infrastructure.

The GCF was adopted as a financial mechanism of the UNFCCC at the end of 2011. It aims to make an ambitious contribution to attaining the mitigation and adaptation goals of the

[26] Nordic Development Fund (2013) NDF Strategy 2014 – 2015, pg 7

[27] Nordic Development Fund (2013) Guidelines for Project Identification and Screening, Pg 13

[28] See http://www.ndf.fi/projects

international community. Over time it is expected to become the main multilateral financing mechanism to support climate action in developing countries. In recent months, the GCF Board has started formulating the key operational aspects that will guide fund implementation in the future.

The GCF will use various financial instruments and will be tailored to the specific needs of the projects they support. Concessional forms of finance are intended to be designed to minimise market distortions and potential disincentives to private investment. An additional important feature of the GCF will be its ability to provide instruments to blend the fund's resources with other sources of financing and tailor terms to a target level of concessionality, which will depend on project-specific factors.

It is not yet possible to apply for funding from the GCF because the fund is only in its start-up phase. A few early pledges have been made to the Green Climate Fund (most notably South Korea's pledge of USD 40 million[29]) and many more are expected leading up to the UNFCCC negotiations in Paris 2015. It is to be noted that funding from the GCF will mostly focus on projects embedded in National Appropriate Mitigation Actions (NAMAs). In future the GCF might constitute a relevant and possible source of funding, especially when cookstove NAMAs are being developed.

Table 20: Evaluation of GCF

Rating	Criteria	Description
	Alignment with cookstove sector	Not yet clear whether sectors will be prioritised, as such neither the cookstove sector nor the energy efficiency sector are prioritised.
	Priority countries/regions	Not yet clear whether countries or regions will be prioritised.
	Timeline for realisation	Unclear.

The Global Environmental Facility

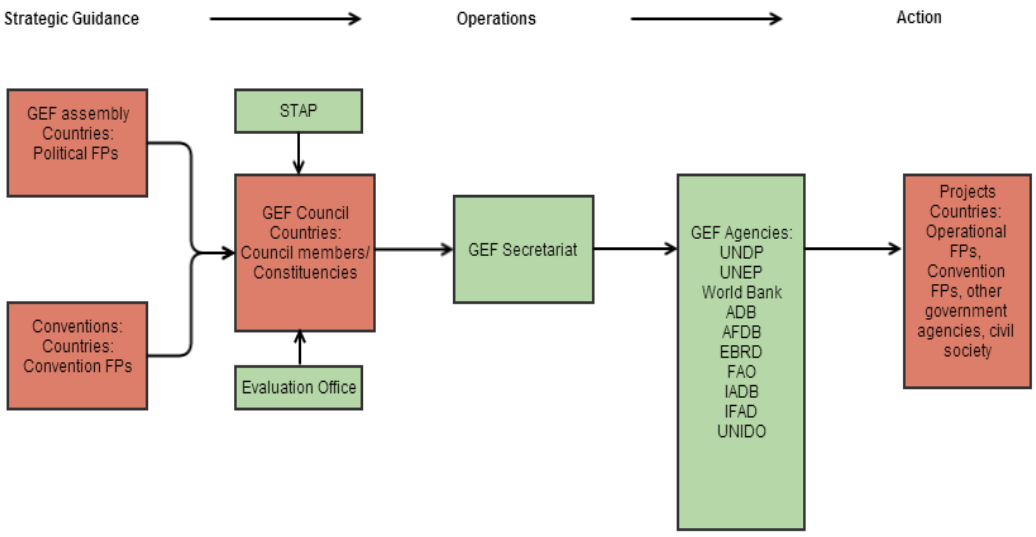
The Global Environment Facility is an independently run financing organisation that aims to help developing countries and economies in transition mitigate and adapt to clime change. The organisation provides grants towards projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. Since its inception it has provided USD 11 Billion in grants and helped co finance USD 57 Billion for sustainable development projects.

The strategic objectives of the GEF are determined by the GEF Assembly and the GEF Council, these comprise of representatives from all donor countries involved in the GEF who meet regularly to ensure regular monitoring and evaluation of policies, review operational strategies and projects and direct the utilization of funds.

The GEF Agencies are responsible for the implementation of approved projects in developing countries. These include multilateral organizations and development banks. This structure is outlined below:

[29] http://www.rtcc.org/2013/09/10/south-korea-pledges-40-million-to-green-climate-fund/

Figure 3: GEF Structure and Stakeholders[30]



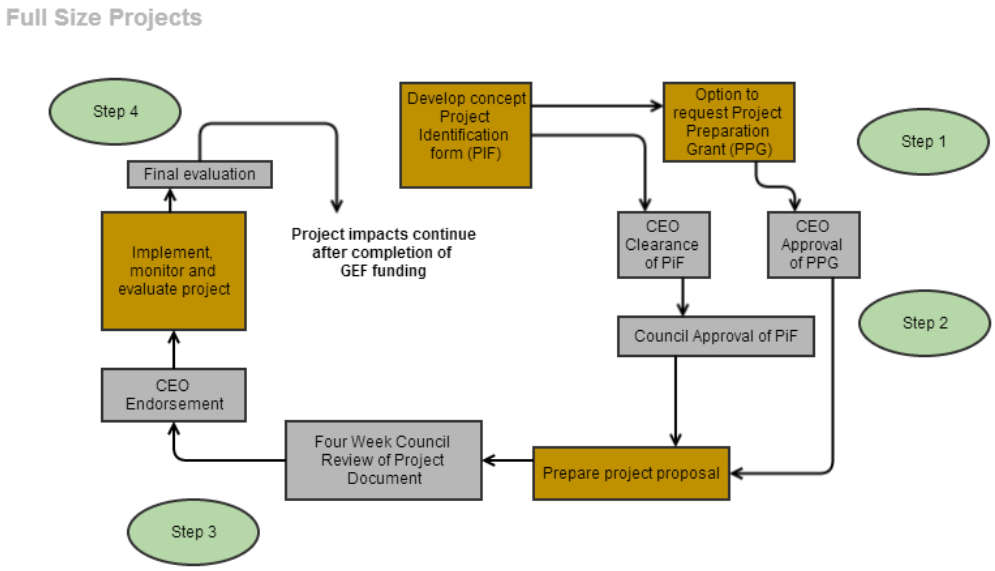
Applying for funding involves a four step process that can take up to 22 months before funding is allocated. Firstly, a project overview is submitted for assessment. At this point GEF assesses whether the project:

- is located in a country that is eligible to receive GEF funding
- is consistent with GEF strategic objectives and strategic programs
- is submitted through a GEF Agency that has a comparative advantage to support the project concept
- provides an estimated cost of the project, including expected co-financing
- requests a GEF grant amount that is consistent with resources available in the focal area and with allocations available to the country under the Resource Allocation Framework
- indicates clear milestones for further project preparation

If the project meets these standards it will be bundled with a number of projects that will be reviewed by the GEF Council (representatives from each donor country). If accepted here the project is forwarded to the GEF agency for that particular country. Funding is released and the project is subject to implementation supervision and monitoring. Receiving GEF funding will be subject to political pressures as donor countries have to vet project applications and host country governments must approve eligible projects. The process is outlined below:

[30] http://www.thegef.org/gef/gef_structure

Figure 4: The GEF Project Cycle[31]



There is no explicit support for cook stove projects, however projects have been developed in South Africa and Pakistan that fund the dissemination of energy efficient cooking equipment, thus it is likely that the objectives of the Alliance will coincide with those of the GEF. However, approval will also be contingent on the specific country that the Alliance wishes to develop projects in, as the GEF agency involved will need to have a comparative advantage in the development of cookstove projects. The GEF has representatives in the countries that projects are developed in, and it is generally advised to contact these representatives about the suitability of a program before the official application process is started.

Table 21: Evaluation of GEF

Rating	Criteria	Description
	Alignment with cookstove sector	Indirect – there has been no specific prioritization of cookstove projects, however similar projects have been funded.
	Priority countries/regions	Countries must be signatories of the GEF in order for funding to be approved.
	Timeline for realisation	It can take up to 22 months for approval.

The Clean Technology Fund

The Clean Technology Fund (CTF) is a multilateral fund that was established in 2008 as part of the Climate Investment Funds (CIF).[32] The fund seeks to promote scaled-up financing for demonstration, deployment and transfer of low-carbon technologies in renewable energy, energy

[31] http://www.thegef.org/gef/project_cycle

[32] The Climate Investment Funds are compromised of the Clean Technology Fund (CTF), Forest Investment Program (FIP), Pilot Program Climate Resilience (PPCR) and Scaling Up Renewable Energy Program (SREP). More information available at: https://www.climateinvestmentfunds.org/cif/

efficiency and sustainable transport in middle income countries. The CTF is implemented by the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group.

The CTF is only accessible for middle-income countries. Additional requirements include adherence to safeguarding principles and investment criteria, detailing of the expected emission reductions of the project and a convincing clarification why incremental costs should be covered by climate finance.

The middle income countries the CTF is currently working with are: Chile, Colombia, Egypt, India, Indonesia, Kazakhstan, Mexico, Morocco, Nigeria, Philippines, South Africa, Thailand, Turkey, Ukraine, Vietnam and the Middle East and North Africa Region. Four of these CTF countries overlap with the Alliance's partner countries, namely, Indonesia, Mexico, Nigeria and Vietnam. Each country or region develops a CTF 'investment plan', which is to be integrated into national development objectives and serves as a programmatic organizing framework for the activities of actors across institutions, stakeholder groups, and sectors. More than 100 projects have emerged from these plans.

CTF programs are intended to "stimulate lasting changes in the structure or function of a sector, sub-sector or market" by improving internal rates of return on low greenhouse gas emissions investments. An important element of the CTF is that it seeks to promote environmental and development co-benefits to demonstrate how low carbon technologies can contribute to national development goals and strategies. Cookstoves provide both environmental and development co-benefits and therefore would fit well in the CTF programs, although they have not been included thus far. It may be worthwhile therefore for the Alliance to explore together with the countries they are already working with, whether cookstove projects can be introduced as CTF projects.

Table 22: Evaluation of CTF

Rating	Criteria	Description
	Alignment with cookstove sector	Energy efficiency is a priority for the CTF, although it seems that the projects so far have focused on large-scale energy efficiency measures.
	Priority countries/regions	Nigeria (Alliance focus country), Colombia, Mexico, South Africa, Vietnam (Alliance partner countries), Chile, Egypt, India, Indonesia, Kazakhstan, Morocco, Philippines, Thailand, Turkey, Ukraine, and the Middle East and North Africa Region
	Timeline for realisation	2-3 years

European Union (EU) climate finance

The EU provides large amounts of climate finance in collaboration with EU Member States and European and Member State's finance institutions and development organizations. Between 2007 and 2013 the European Commission provided around EUR 4.5 billion in finance for climate-related projects in developing countries through the EU's development and external assistance policy instruments. Annual climate-related support reached EUR 800-900 million in 2013. The majority of this funding was spent and administered at the discretion of individual EU member

countries through their own international aid and development organizations, however some of it was channelled into EU wide investment funds or to development banks. Major EU climate finance facilities include:

Global Climate Change Alliance (GCCA)

Between 2008 and 2013, around EUR 300 million was channelled to least developed countries and small island developing states through the Global Climate Change Alliance (GCCA). This EU initiative acts as a platform for dialogue and exchange of experience on climate change and provides technical and financial support to partner countries to integrate climate change into their development policies and implement projects that address it on the ground. In 2013 the European Commission committed an additional EUR 47 million for financing nine new GCCA interventions in Chad, Comoros, Djibouti, Myanmar, Haiti, Malawi, Mauritania, Sao Tome e Principe and Tanzania. The GCCA portfolio has increased from 4 pilot projects in 2008 to supporting more than 45 national and regional programmes across 35 countries and 8 regions and sub regions, with a total budget of close to EUR 300 million. One national programme included cookstoves, namely in Ethiopia.

In order to be eligible to receive funding, the countries that are looking to receive assistance must be listed by the OECD as a country that is eligible for Official Development Assistance. Civil organization are able to receive funding as long as their projects meet the eligibility criteria. The GCCA focuses on mainstreaming climate change into poverty reduction and development efforts, adaptation, Reducing emissions from deforestation and forest degradation (REDD), enhancing participation in the global carbon market and disaster risk reduction. They generally do not provide funding to organizations asking for spontaneous or ad hoc requests.

The Latin American Investment Facility

The Latin American Investment Facility (LAIF) is a financing mechanism where grants are mixed with non-grant financing, such as loans or equity, through European Development Finance Institutions and regional Latin American banks to support investment in the region. The facility supports infrastructure projects in different sectors and private sector development. The European Union and Member States committed EUR 192 million between 2009 and 2013. Funds are disbursed in the form of grants and can accompany and leverage loans from eligible financial institutions. Finance is made available in support of public infrastructure projects, the provision of loan guarantees, interest rate subsidies, technical assistance and risk capital operations. One of LAIF's key strategic objectives is to foster increased protection of the environment and support climate change adaptation and mitigation actions.

Neighbourhood Investment Facility

The Neighbourhood Investment Facility (NIF) is a financial mechanism aimed at mobilising additional funding to cover the investment needs of the EU neighbouring region for infrastructure in sectors such as transport, energy, the environment and social issues. The NIF also supports the private sector particularly through risk capital operations targeting SMEs. The NIF aims to create a 'partnership' by pooling together grant resources from the European Commission and the EU Member States and using them to leverage loans from European Finance Institutions as well as own contributions from the partner countries. Accordingly, to receive a

grant contribution from the NIF, a project must be financed by an eligible European Finance Institution.

Table 23: Evaluation of EU climate finance

Rating	Criteria	Description
	Alignment with cookstove sector	EU climate finance supports a great variety of sectors, including to a very small extent cookstoves. It cannot be accessed first-hand but as it aligns with programs of EU Member States, European financial institutions and development organizations
	Priority countries/regions	Different facilities are targeting different regions
	Timeline for realisation	Unclear

Result based finance

The fundamental idea behind result based finance (RBF) is that payments are made contingent upon the delivery of agreed results, with the implementing agency having discretionary power over how results are achieved and results being subject to independent verification. Rather than paying for activities, payments are made against desired social and environmental outcomes so as to achieve more, or more cost-effective, results. RBF is typically employed in the sphere of public finance where it may complement other types of public finance such as concessional loans or grants. RBF or "pay for performance" approaches are becoming increasingly popular as a means to support development objectives and wider public policy goals in developing countries, including low carbon development and private sector investments. The Global Partnership of Output-Based Aid (GPOBA) maintains a database of some 40 RBF based projects in a variety of sectors with the bulk of the projects falling into health care, water and sanitation, education and telecommunication.[33]

With its many positive impacts on health, livelihood, gender issues and the environment clean cookstove projects appear suitable candidates for the use of RBF. The World Bank's Energy Sector Management Assistance Program (ESMAP) is promoting this idea through case studies, including through exploring the workings of RBF for a cookstove programme in Ethiopia and for increasing the use of fuel-efficient institutional cookstoves in Uganda and Kenya by schools. Both the reduction of non-renewable biomass consumption and hence carbon emission reductions and the health impacts of clean cookstoves measured in "Disability-adjusted life years" (DALYs) lend themselves as basis for RBF. As noted on the Alliance's carbon finance website, accessing results based funding requires a quantitative assessment of positive impacts. Thus, the baselines and monitoring methodologies for the health, livelihood, gender and environmental impacts from the use of clean cooking technologies need to be developed in order to access results based funding.

Carbon finance itself is a form of RBF given that payments are tied to verified emission reductions. In contrast to the use of RBF in development aid it is however linked to private sector

[33] See the project database of the Global Partnership of Output-Based Aid (GPOBA) https://www.gpoba.org/

demand. Through the rules and regulations of the Kyoto Protocol emission reductions are transformed into a sellable product. With the demand for carbon credits vanishing, efforts are made to learn from the workings of the carbon market to structure development finance. The World Bank's Ci-Dev is a case in point which mirrors the workings of the CDM in providing RBF to small- and micro-scale low carbon programs. For the disbursement criteria of the Green Climate Fund RBF is also under discussion. Being based on donor money, RBF is however unlikely to fill the gap left by private sector demand.

In October 2013 the World Bank's Ci-Dev organized a workshop in Bonn to discuss the role that a reformed CDM can play in channelling RBF to projects, targeting primarily energy access projects in sub-Saharan Africa and LDCs. In the workshop invitation RBF was characterized as particularly suitable to:

- Enable private sector project implementation and private sector project finance;
- Support ambitious policies targeting sustainable development and mitigation;
- Scale-up activities from a project to a sector level;
- Provide incentives for best practice project operation over time;
- Provide a rigorous accounting standard of project achievements such as number of households connected to clean energy or greenhouse gas emission reductions;
- Ensure that payments are linked to project performance considering both mitigation and development benefits.

Table 24: Evaluation of RBF

Rating	Criteria	Description
	Alignment with cookstove sector	Suitable, first pilots in the cookstove sector are being implemented
	Priority countries/regions	All countries
	Timeline for realisation	Undetermined

3.3 REDD+

3.3.1. What is REDD+ and how does it relate to cookstoves?

REDD+ began as a negotiation item under the UNFCCC in 2005 to allow developing countries to voluntarily reduce their emissions from deforestation and forest degradation, for which they would in turn receive incentives.[34] In 2010, Parties officially adopted REDD+ as a framework to mitigate climate change through five identified activities: reducing deforestation, reducing degradation, conservation, sustainable management of forests, and enhancement of carbon stocks.[35] REDD+ has been agreed as a mechanism that will be implemented in three phases, from REDD+ readiness (Phase 1) to implementation of policies and measures (Phase 2), and finally

[34] Since 2005, the initiative's scope expanded from reducing emissions from deforestation alone (RED) to include forest degradation (REDD), and three additional 'plus' elements as outlined in the Bali Action Plan of 2007: conservation, enhancement of forest carbon stocks, and sustainable management of forests, together known as REDD+. See Decision 1/CP.16 at para 70. Available from: http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12. (The five activities called for by REDD+ are reducing deforestation and degradation, plus conservation, sustainable management of forests and enhancement of carbon stocks.)

[35] UNFCCC (2011) Report of the Conference of the Parties on its sixteenth session, held in Cancun from 29 November to 10 Addendum FCCC/CP/2010/7/Add.1 para 70.

full-scale implementation (Phase 3).[36] It has been further agreed that countries aiming to undertake REDD+ activities develop the following elements: a national strategy or action plan, a national forest reference level, a robust and transparent national forest monitoring system, and a system for providing information on how the safeguards are being addressed and respected.[37] At the 19th Conference of the Parties (COP 19) in 2013, Parties concluded several years of negotiations with a package of seven decisions that provides the architecture for results-based REDD+ actions. These include specific guidance on finance and coordination of support including an information hub; national forest monitoring systems; reference levels and MRV; summary of information on safeguards; and drivers of deforestation and forest degradation.[38]

Cookstoves aim to reduce local fuelwood demand (in particular non-renewable biomass) by either allowing switching from fuelwood to solar or biogas technologies, or by improving energy efficiency of fuelwood usage. Thus, cookstove projects may have high potential for contributing to REDD+ goals in areas where local fuelwood consumption is shown to be a primary driver of deforestation and forest degradation, and may achieve measurable environmental, social, and health co-benefits. Most REDD+ activities follow a *land-use accounting* approach to project activities. Under this approach, emissions reductions for each project are accounted by attributing them to a specific forest location, and their methodologies reflect this location-specific nature. By contrast, carbon projects under the Clean Development Mechanism (CDM) generally take a *non-land-use accounting* approach in pursuit of the same overall REDD+ goals, but using default factors for the fraction of non-renewable biomass adopted by the host country as a whole. Despite not being labelled officially as REDD+, many voluntary and compliance methodologies under the CDM such as clean cookstoves have overlapping goals with those of REDD+ by reducing deforestation and forest degradation drivers. The main difference between CDM and REDD+ methodologies is that CDM approaches do not use an AFOLU location-specific approach to accounting emissions reductions. Thus, risks from double counting of emissions reductions due to potential for overlapping baselines and adjacent projects need to be addressed in order to ensure environmental integrity.

To demonstrate the synergy between REDD+ and clean cookstoves, the calculation of the fraction of non-renewable biomass (fNRB) is critical to the determination of whether emission reductions can be said to be real, or additional. A conservative fNRB, observed to reduce over time in response to cookstove dissemination, can clearly demonstrate a cookstove project's contribution to REDD+ outcomes. Conversely, an inflated fNRB will lead to unrealistic assumptions of REDD+ benefits. Additionally, cookstove projects require rigorous monitoring of leakage to ensure fuelwood savings are not offset due to increases in consumption elsewhere.

Improved cookstove initiatives do not fall under the official portfolio of activities to reduce deforestation and forest degradation (REDD+), although they do present an alternative method to achieve REDD+ outcomes. Critically, support from REDD+ dedicated funds could only occur if a link is shown between degradation/deforestation and fuel wood consumption. Thus, as cookstoves primarily aim at reducing drivers of deforestation and forest degradation (with regard to REDD+ goals), they are linked most clearly to the first two REDD+ activities. Project

[36] UNFCCC Decision 1/CP.16 at para 73.
[37] Ibid. para 71
[38] Climate Focus (2013). CP19/CMP9 Warsaw Analysis and Briefing.
http://www.climatefocus.com/documents/files/climate_focus_warsaw_briefing.pdf

certification is an established mechanism to ensure that projects achieve these desired outcomes, adding value to carbon credits, and allowing donors—whether Annex I countries, development banks, or private investors—to fund projects that meet their goals.

REDD+ financing may originate from public, private, bilateral and multilateral sources,[39] although in the absence of an international agreement to drive compliance-based private investment, domestic government funding and international bilateral and multilateral finance represent the overwhelming majority of REDD+ finance available.[40] As of November 2013, just over USD 2.7 billion was pledged under two bilateral and five multilateral programs, with just over half of this deposited and a much smaller amount actually disbursed.[41] Both bilateral and multilateral REDD+ finance may be further distinguished according to the mode in which finance is delivered, which we call here 'targeted' and 'umbrella' funding. Targeted support is the provision of funds for a specific outcome or activity (e.g. Norway's funding for MRV systems in Mexico). It is funding for a specific outcome and originates either from countries (or NGOs) making specific requests for focused interventions and/or capacity development, or a donor country's drive to deliver certain priority outcomes. Conversely, umbrella funding is the provision of funding to a country or state government (such as the Indonesia-Norway agreement) to meet general and broad objectives. It is then up to the state or federal government to decide how to use these funds to achieve REDD+ outcomes. Both of these models allow for the provision of REDD+ finance to cookstoves projects but they change the way in which finance will be delivered and who will deliver it.

Table 25: Major REDD+ funding channels including phases targeted and disbursement of finance.

Funding Channels	Phase I	Phase II	Phase III	Pledged (USD mln)	Deposited (USD mln)	Disbursed (USD mln)
Multilateral						
UN-REDD	X			173	171	130
FCPF Readiness Fund	X			240	240	16
FIP		X		611	490	0
BioCarbon Fund		X		280	0	0
FCPF Carbon Fund			X	219	219	0
Bilateral						
Amazon Fund	X			615	597	85
Norway-Guyana	X	Unknown	Unknown	250	60	2
Norway-Indonesia	X	X	X	1000	0	0

Source: GCP, IPAM, FFI and UNEP FI, 2014. Stimulating Interim Demand for REDD+ Emission Reductions: The Need for a Strategic Intervention from 2015 to 2020, Global Canopy Programme, Oxford, UK; the Amazon Environmental Research Institute, Brasília, Brazil; Fauna & Flora International, Cambridge, UK; and UNEP Finance Initiative, Geneva, Switzerland, p. 9.

[39] UNFCCC Decision 2/CP.17. available from: http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16. Parties have left unclear whether mechanisms outside the UNFCCC such as bilateral agreements would be recognized by the COP, and have left the possibility open for development of market-based approaches to support results-based actions.

[40] Streck, C.; Parker, C. 2012. Financing REDD+. In Analysing REDD+: Challenges and choices, 111-128. Center for International Forestry Research (CIFOR), Bogor, Indonesia.

[41] Caravani, A., et al. Climate Finance Thematic Briefing: REDD+ Finance, (Nov 2013) Climate Funds Update, Overseas Development Institute, available from: http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8676.pdf.

3.3.2. Bilateral funding

Finance for REDD+ from bilateral sources constitutes roughly two-thirds of public international REDD+ support (multilateral support representing the remainder), the majority of which has been earmarked for Phase 1, readiness activities.[42] Bilateral donors generally prefer working with a set of preselected partner countries, and although many are creating new innovative funding programs (e.g. REM, IKI, NICFI), existing bilateral agencies using traditional ODA may disburse funds quicker given their longer institutional history working in a given country.[43] The main bilateral donors to date are Norway (by far the largest REDD+ donor, also contributing significantly via several multilateral channels), Germany, Australia, UK and US.

Table 26: Evaluation of Bilateral Funding

Rating	Country	Description
	Norway	Largest REDD+ country donor; International Climate and Forest Initiative enters into partnerships with key forest countries (Brazil, Indonesia, Guyana, Tanzania) and provides results-based payments.
	Germany	International Climate Initiative (IKI) supports innovative REDD+/land use carbon mitigation projects globally.
	United Kingdom	DFID has begun funding FCPF countries' Phase 2 implementation activities not covered under their FCPF grant.
	Australia	International Forest Carbon Initiative bilateral initiatives mainly support Phase 1 and 2 activities in nearby countries such as Indonesia.
	United States	Bilateral REDD+ finance via USAID, the Treasury Department and the US State Department has focused mainly on a few countries, including Indonesia and Peru.

Table 23 above gives an overview of the relative size and timing of the main bilateral funds. Bilateral funds are predominantly umbrella funds and would be amenable to funding cookstove projects should they be a major source of deforestation or degradation in target countries. It is worth noting that bilateral or multilateral funding categorized as Official Development Assistance (ODA) may be used towards REDD+ activities, but ODA may not be used to fund Emissions Reductions in any phase.

3.3.3. Multilateral funding

Multilateral funds are generally distributed via international and regional channels (i.e. Multilateral Development Banks MDBs). There are four multilateral funds focussing on REDD+: the **UN-REDD Programme**, the **Forest Investment Programme** (FIP), the **BioCarbon Fund**

[42] Streck and Parker, supra note 40, p. 122.
[43] PWC 2011 Funding for forests: UK government support for REDD+. Report prepared for the Secretary of State for International Development at the UK Department for International Development. PricewaterhouseCoopers LLP, Climate Focus, International Union for Conservation of Nature, Winrock International. http://www.decc.gov.uk/assets/decc/internationalclimatechange/1832-funding-for-forests-ukgovernment-support-for-red.pdf (24 April 2012). 130p.

(BioCF) and the **Forest Carbon Partnership Facility** (FCPF) (see Table 23). UN-REDD (USD 173 million), a joint program of UNDP, UNEP and FAO, is a Phase I fund to develop National Readiness Programmes in 18 member countries.[44] UN-REDD additionally provides targeted support to a further 31 countries to implement activities such as the development of tools, best practices and data.[45] The FCPF Readiness Fund (USD 240) of the World Bank supports a total of 44 countries to develop their national Readiness Programmes. The FCPF Carbon Fund (219 million) delivers payments for emissions reductions to countries in Phase 3.[46] The FIP (USD 611 million), also under the World Bank, aims to develop Phase 2 REDD+ pilot projects through umbrella agreements to eight member countries.[47] Cookstoves have been included in the FIP Investment Plans of several countries, including the Alliance partner country Mexico.[48] The FIP also supports public-private partnerships through a dedicated Private Sector Set-Aside that could support cookstove activities.[49] The BioCF (USD 280 million) is one of three windows under the Strategic Climate Fund and is currently beginning its third tranche also known as the Initiative for Sustainable Forest Landscapes (ISFL) with funding from Norway, UK and the US, focusing primarily on agriculture but supporting a wide array of land sector activities.[50] The BioCF has mentioned interest in potentially funding cross-cutting initiatives such as cookstoves in conjunction with the World Bank Carbon Initiative for Development (Ci-Dev) to relieve forest pressure and promote energy access.[51] Regional multilateral funds include the Congo Basin Forest Fund (CBFF) and Amazon Fund, both of which largely have focused on REDD+ readiness activities to date.

Table 27: Evaluation of Multilateral Funding

Rating	Fund	Description & Alliance Partner Countries
	FCPF – Carbon Fund	Carbon Fund to finance Phase 3 verified emissions reductions. Members include Ghana, Kenya, Nigeria Uganda (Alliance focus countries), Cambodia, Ethiopia, Guatemala Mexico, Nepal, Peru, Tanzania, Vietnam (Alliance partner countries) and Indonesia.
	UN-REDD	Supports demonstration activities under Phase 2. Members include Bangladesh, Nigeria (Alliance focus countries) Cambodia, Tanzania, Vietnam (Alliance partner countries) and Indonesia.
	FIP	Supports Phase 2 demonstration activities. Members include Ghana (Alliance focus country), Mexico, Peru (Alliance partner country) and Indonesia.
	BioCarbon Fund	Tranche 3 could support cookstove projects under its 'Landscape Approach' large-scale interventions, with priority given to projects fitting in the World Bank country dialogue and project portfolio (e.g., currently a

[44] See http://www.un-redd.org/Partner_Countries/tabid/102663/Default.aspx
[45] See http://www.un-redd.org/Global_and_Regional_Support/tabid/104435/Default.aspx
[46] See https://www.forestcarbonpartnership.org/sites/fcp/files/New%20FCPF%20brochure%20--`%20low%20resolution%20051809_0.pdfu_8_z_0.pdf
[47] See https://www.climateinvestmentfunds.org/cif/node/5, see also http://www.bicusa.org/issues/forests/fip/
[48] See http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP%205%20Mexico%20IP.pdf, p. 28. Other FIP countries referencing cookstoves in their Investment Plans include DRC and Burkina Faso.
[49] See https://www.climateinvestmentfunds.org/cif/node/11389
[50] See http://www.worldbank.org/content/dam/Worldbank/document/SDN/BioCF_ISFL_FAQ.pdf
[51] See "BioCarbon Fund Next Generation – Draft for Consultation," World Bank (Apr 2012) p. 10 https://wbcarbonfinance.org/docs/BioCF_Tranche_Three_Concept_Note_04.12.12.pdf. See also https://wbcarbonfinance.org/docs/BioCarbon-Fund-Brochure-WebReady.pdf

project is disseminating cookstoves in Ethiopia).

3.3.4. Observations on REDD+ and clean cooking finance

REDD+ finance has to date largely been focused on Phase 1, REDD+ readiness and pilot activities, that are largely not applicable to cookstove projects given their focus on capacity building. Equally, targeted finance, either through bilateral or multilateral sources is unlikely to be used for cookstoves, although some examples do exist of bilateral funds (from US and Australia) that have been used for cookstove implementation. The most likely sources of funding going forward for cookstoves would come from Phases 2 and 3 funding sources. Phase 2 multilateral funds, such as under the FIP or BioCF, would offer an excellent opportunity to pilot how cookstoves could work in conjunction with a REDD+ national program and achieve measurable emissions reductions. Equally, bilateral Phase 2 umbrella funding could be used to subsidise cookstove implementation. Phase 3 REDD+ funding is also a potential source of finance for cookstove projects, although to qualify cookstove project methodologies would need to align with REDD+ methodologies as noted in the introduction to this section to avoid issues of double counting.

With regard to the Alliance's focus countries, many are well positioned to pursue REDD+ financing for cookstoves both under bilateral and multilateral channels. In particular, countries participating in UN-REDD National Programmes,[52] the FCPF,[53] FIP and umbrella agreements with major donors such as with Norway[54] may be able to access cookstove funding under pre-existing support.

[52] Alliance partner countries with UN-REDD National Programmes: Bangladesh, Cambodia, Indonesia, Nigeria, Tanzania and Viet Nam. See http://www.un-redd.org/Newsletter33/Partner_Countries_Support/tabid/106656/Default.aspx

[53] Alliance partner countries participating in the FCPF: Cambodia, Ethiopia, Ghana, Guatemala, Indonesia, Kenya, Mexico, Nepal, Nigeria, Peru, Tanzania, Uganda and Vietnam. See https://www.forestcarbonpartnership.org/redd-country-participants

[54] Norway has a bilateral agreement with Tanzania and member of several multilateral agreements, such as with Indonesia.

Annex 1: Alliance National Partners

List of National Partners (as of December 2013)

Total National Partners: 41

Year 1 Year 2 Year 3

National Donor Partners: 14	National Implementing Partners: 27
1. Canada	15. Afghanistan
2. Denmark	16. Bangladesh
3. France	17. Burkina Faso
4. Finland	18. Cambodia
5. Germany	19. Central African Republic
6. Ireland	20. China
7. Italy	21. Colombia
8. Malta	22. El Salvador
9. Netherlands	23. Ethiopia
10. Norway	24. Ghana
11. Spain	25. Guatemala
12. Sweden	26. Kenya
13. United Kingdom	27. Laos
14. United States	28. Lesotho
	29. Malawi
	30. Mexico
	31. Mongolia
	32. Nepal
	33. Nicaragua
	34. Niger
	35. Nigeria
	36. Peru
	37. Rwanda
	38. South Africa
	39. Sri Lanka
	40. Tanzania
	41. Uganda
	42. Vietnam

Annex 2: Summary of Alliance engagement in focus countries

Focus country	Alliance activities[55]
Bangladesh[56]	• Develop a coordination mechanism, the Household Energy Platform, to ensure sector players and facilitators are working towards a cohesive coordinated strategy and are learning from each other, leveraging each other's work, not duplicating efforts, and are able to advocate for the sector with one unified voice. • Utilize local institutions, conduct R&D to improve the existing local models and potentially create new cookstove models in order to increase the quality of products available and offer a variety of technologies to consumers. • Develop a national network of suppliers that are able to widely produce and/or disseminate locally produced or imported technologies, increasing the quality and distribution of available technologies over time. • Identify strong non-cooking product distribution channels and add improved cooking solutions into the already successful, wide-reaching distribution chains. • Increase awareness of clean cooking solutions among consumers through a national awareness campaign. • Build the capacity of individual suppliers and distributors to effectively market their products. • Increase access to finance for cookstove and fuel entrepreneurs. • Better understand Bangladeshi consumer preferences through applied research studies and pilots to ensure products meet consumer needs and are in high demand. • Establish a national cookstoves testing and knowledge centre for laboratory and field testing. • Include cookstoves and fuels as a critical priority in achieving reductions in short lived climate pollutants (SLCPs), improvements in exposure to household air pollution, improvements in maternal and child health, women's empowerment and other key Government priorities.
China	• Support the development of a national cookstove program -- provide best practices from other countries • Sensitization of manufacturers on global needs • Alliance Global Research Platform to have a hub in Beijing. Inclusion of Chinese data to support international collaborations. Focus to understand benefits of clean cooking and fuel processing technologies • Partner with the government to enhance testing capacity to support organizations in China • NDRC is a strong nodal ministry for Alliance with interest in coordinating among other agencies
Ghana	• Demand – focus on building awareness and enabling financing to two customer segments. Urban and periurban with access to but limited use of LPG and rural customers using wood in the north • Supply – support for capacity building of select entrepreneurs through Alliance Spark

[55] Global Alliance for Clean Cookstoves (2012) Business Plan 2012. slides 59 - 64

[56] Information based on the Alliance's Bangladesh Country Action Plan (November 2013)

	Fund and for innovation in improving charcoal production and technology that will make exiting local stoves more clean and efficient • Cutting edge testing Center enabled in Senegal that will service Ghana as well. Likely to have a "spoke" of the Senegal testing hub in Accra • Advocate government to reduce import tariffs on cookstoves and raw materials,; modify the current LPG subsidy to be better suited for household use; apply solar incentives to sector • Ghana knowledge hub to be developed
Kenya[57]	• Establish a national cookstoves testing and knowledge center to determine which cookstoves meet international standards set by the ISO for emissions and fuel efficiency and disseminate the information through labeling and/or consumer education. • Commission and execute a customer segmentation study to determine the most promising consumer segments for quick adoption, the primary motivating factors behind cookstove purchases and the existing barriers to purchase. • Develop financial products (microloans, fuel saving schemes, carbon finance) targeted to the needs of clean cookstove and fuel purchasers and producers. • Establish a strong multi-sectorial working committee, the Kenya Clean Cookstoves Alliance (KCCA) that will work with the government, civil society, and private sector to track progress against the CAP and advocate for the sector as a whole. • Add cookstoves to large non-stove product distribution/wholesale networks and improve existing cookstove-specific distribution networks to ensure consumer access and affordability.
Nigeria	• Commission a supply chain study to understand the key barriers in getting stoves to the market • Support entrepreneurs to overcome supply chain barriers (access to finance, consumer research, etc.) • Leverage women and faith-based networks and other product distributors • Support to develop national testing center • Conduct government advocacy to promote the inclusion of cookstoves and fuels in policy, reduce tariffs, and ensure coordination through the national Alliance
Uganda	• Test variety of carbon finance approaches to determine effectiveness • Pilot monitoring and evaluation tools • Provide support to carbon finance entrepreneurs (R&D, market intelligence, and distribution) • Broker partnerships between carbon credit buyers and sellers • Enhance existing testing center, promote standards and testing protocols globally • Create specific areas on knowledge hub to facilitate coordination and collaboration with regard to carbon financing • Conduct government advocacy to make cookstoves and fuels a national priority and to ensure coordination

[57] Information based on the Alliance's Kenya Country Action Plan (CAP) (December 2013)