

PROTECTING FORESTS THROUGH CLEAN ENERGY IN THE DRC

2022 Investment Portfolio

ABOUT UNCDF

The UN Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries (LDCs). UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.

UNCDF Energy promotes access to finance across the energy value chain from customer to enterprise by investing in early stage, innovative business ideas from SMEs that have the potential to make a step-change in improving the accessibility, affordability, and reliability of modern energy for people, especially those at the last-mile. In addition to catalytic investment, UNCDF provides technical assistance and advisory on enabling environment policy and market insights to support the development of energy markets in LDCs.







CLEAN COOKING FOR CLIMATE ACTION IN THE DRC

The Democratic Republic of Congo (DRC) is one of the most challenging markets in need of clean energy solutions, with large humanitarian challenges and widespread population needs. But the future of sustainable development in the country rests on its ability to scale clean energy solutions and manage its diverse environmental ecosystem.

The DRC is home to the world's second largest tropical forest massif after the Amazon with nearly 155.5 million hectares of forest. Forests (60 percent of the Congo Basin) are rich in animal and plant biodiversity (5th in the world) and provide important goods and services on which the lives of thousands of rural people depend. However, a combination of population growth, poverty, poor governance and the administrative deficit is leading to deforestation and forest degradation in the country.

With funding from the Central African Forest Initiative (CAFI) under the FONAREDD portfolio, the United Nations Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) are supporting efforts that reduce pressures on forest resources.

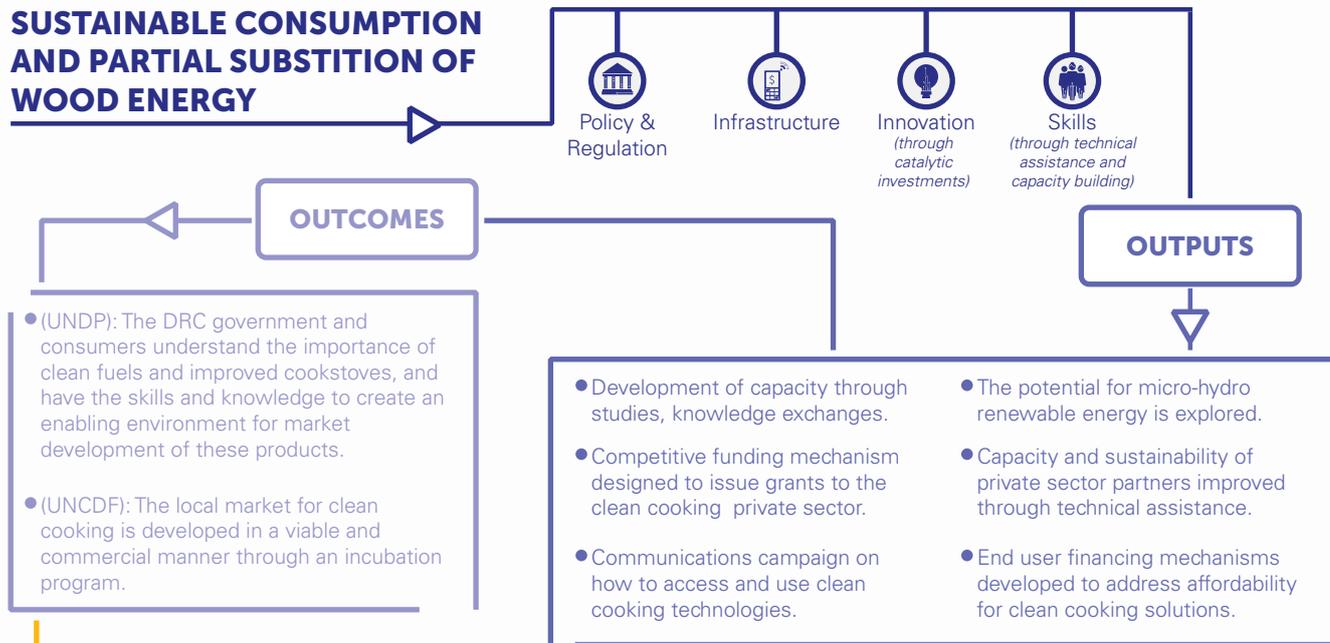
In 2020, UNCDF and UNDP launched the Challenge Fund and Incubation for Clean Cooking Solutions under the Sustainable Consumption and partial substitution of firewood in DRC joint programme. Access to affordable clean cooking solutions is critical in promoting the health of households and preserving precious forest resources (by reducing the use of wood-based fuel sources). It also creates opportunities for job growth by supporting businesses in scaling clean cooking solutions.



THE THEORY OF CHANGE

JOINT PROGRAM FOR THE SUSTAINABLE CONSUMPTION AND PARTIAL SUBSTITUTION OF WOOD ENERGY

WORKSTREAMS



IMPACT

To reduce greenhouse gas emissions and promote sustainable and equitable economic development.



SUPPORTING MARKET DEVELOPMENT



- 1** Giving companies the initial ability and readiness to access commercial financing.
- 2** Helping companies get a good foothold in the market.
- 3** Helping companies to improve their production and management capacity.
- 4** Helping companies to integrate innovative models in the marketing, production, and distribution of clean cooking solutions.



OUR RESULTS



POLICY AND REGULATION: The programme has developed **wood energy sector studies** and complementary diagnostics of wood energy monitoring and management. These studies improved the baseline understanding, which can support decision making and policy development for clean cooking. In addition, the **LPG Masterplan and Regulations have been drafted**, including analysis of the LPG value chain. These sets of policies will regulate the LPG sector, which provides consumer protections (safety on LPG use), distribution mechanisms, and support to private sector participation. Lastly, the programme is providing **critical support in the development of the National Energy Policy**, including provincial consultations and awareness raising sessions on the policy.



CAPACITY BUILDING: The programme **arranged study tours in neighboring countries**, such as Kenya and Côte d'Ivoire to build capacity of Congolese experts in wood energy and clean cooking. In addition, we have **prepared a diagnostic** to enable the restructuring off the Alliance Congolaise des Foyers et Combustibles Améliorés (ACFCA), which will help improve the Alliance's capacity to be the voice of the private sector on issues related to clean cooking. The programme supported the Congolaise Testing Centre, ISTA, government stakeholders and partner companies for certification and calculations of emissions reductions.



AWARENESS RAISING: The programme **started an awareness campaign** with FMJC, who is doing roadshows in major cities around DRC to promote clean cooking. The program has also **developed a clean cooking song with the Congolese Musician, Barbara Kanam**, who is a national ambassador for the promotion of climate action.





INVESTMENT AND TECHNICAL ASSISTANCE: For funded and non-funded companies, the programme adopted an **in-person and online technical assistance approach** to reinforce manufacturing capacity as well as improve knowledge across clean cooking value chains. This includes study visits, in-person workshops with technical experts, and online training modules, with the idea of supporting companies to increase sales and become more investment-ready.

For investments, the programme has **launched four challenge fund cohorts and has a portfolio of 11 companies**, from briquette producers, to stove manufacturers, to distributors, LPG importers/distributors, etc. The programme has also concluded a microfinance pilot for LPG, in partnership with Equity BCDC and an LPG company.

The investment partnerships have already enabled the populations of the DRC to have access to diversified clean cooking solutions, including **more than 60,000 improved stoves, 8,000 stoves and gas kits, 1,700 tons of LPG gas and 998 tons of briquettes for cooking**. This has created **more than 1,000 jobs, 53 percent of which are for women**.

The catalytic approach used by UNCDF has allowed, from the US\$1.2 million dollars invested by CAFI, to **mobilize \$1.1 million dollars of co-financing**. It also made it possible to **mobilize \$650,000 in concessional credit for Congolese companies** through the “bridge” mechanism of UNCDF’s Least Development Countries Investment Platform, another \$500,000 from SIMA Funds and \$20,000 from Virunga Foundation directly to our partners. The **\$650,000 credit from UNCDF allowed these companies to raise an additional \$4.5 million from other investments after our initial investment**.





**DRC CLEAN COOKING SOLUTIONS
INVESTMENT PORTFOLIO**

PAYGO DISTRIBUTION MODEL FOR HOUSEHOLDS AND SMALL BUSINESSES



Company:
ALTECH



Type of support:
Grants, TA, Loan



Target population:
Households and small businesses

Business model: Pay As You Go (PayGo) distribution model of solar lamps, solar home system and clean cookstoves for households and small businesses.

The intervention: Altech sells solar lamps, solar home systems, and clean cookstoves. Through UNCDF support, they have hired and trained solar and clean cooking ambassadors to reach target customers.

Altech has received an Inventory Finance Loan Facility from UNCDF, complementing their clean cooking grant. The Challenge Fund investment helped the company implement software to better manage sales and track payments for improved cookstoves, providing more efficient management and customer tracking.

The impact: Altech aims to sell 20,000 improved cookstoves in Kinshasa, Lubumashi, Goma and Bukavu through the Joint Program. The loan aims to help them purchase sufficient inventory to meet rising consumer demand.



PAYGO PLATFORM FOR THE DISTRIBUTION OF LPG KITS



Company:
Bboxx



Type of support:
Grants, TA, Loans



Target population:
**Households in in Goma,
Bukavu and Lubumbashi**

Business model: Bboxx is a globally recognized innovative distributor of clean energy solutions. The company has used its existing PayGo platform to deploy cookstoves and gas kits to customers in Goma, Bukavu and Lubumbashi.

The intervention: Through the joint program, Bboxx specializes in the distribution of LPG kits. Bboxx has launched its LPG distribution project with the support of UNCDF in Goma. The results have encouraged them to open in Bukavu City and they are now planning to open in Kinshasa.

The impact: Bboxx aims to sell 3,500 LPG kits and 25 tonnes of fuel in Goma and Bukavu through the Joint Program. Through the loan, BBOXX aims to acquire 5,600 new LPG customers.



CLEAN COOKSTOVES PRODUCTION & SALE THROUGH RESELLERS & AGENTS



Company:
Bascons



Type of support:
Grants and TA



Target population:
**Households and small
businesses in Kinshasa**

Business model: Clean cookstoves production and sale through resellers and agents.

The intervention: Bascons produces and sells clean cookstoves from sales points, resellers and commission-based agents in urban and peri-urban areas in DRC. Through UNCDF grant support, Bascons has purchased equipment and received technical assistance on stove design and production techniques. This has resulted in more than 2x increased production capacity and sales force. They have diversified their portfolio product to introduce more sizes and prices to reach a larger range of clean cookstove customers.

The impact: Bascons aims to sell 28,000 improved cookstoves in Kinshasa through the Joint Program.



IMPORTATION & DISTRIBUTION OF LPG THROUGH SALES POINTS AND RESELLERS



Company:
DAP Energy



Type of support:
Grants and TA



Target population:
**Households, business,
schools, hospitals,
prisons, convents in rural
and peri urban areas**

Business model: Importation and distribution of LPG through sales points and resellers.

The intervention: DAP Energy is a pioneer in LPG import and distribution in the eastern part of DRC. They sell 3kg to 45 kg starter kits and LPG fuel to households, institutions and small businesses. DAP Energy reorganized their commercial strategy by introducing a mobile application, credit scheme and new reseller's distribution model designed with the support of UNCDF technical assistance. They have extended their storage and distribution capacity and introduced customized software for management and payment to reach more customers.

The impact: DAP Energy aims to sell 3,000 LPG starter kits and 1,400 tonnes of fuel Lubumashi, Goma and Bukavu through the Joint Program.



PRODUCTION AND DISTRIBUTION OF BRIQUETTES IN URBAN AREAS



Company:

Recyclo Congo



Type of support:

Grants and TA



Target population:

Restaurants in Kinshasa

Business model: Production and distribution of briquettes in urban areas.

The intervention: Recyclo Congo uses charcoal dust, husks and brewery bio-waste to produce biomass cooking briquettes and fire starter. Recyclo Congo has increased their briquettes production capacity, sales force and diversified their distribution model. Through UNCDF support, they have purchased new equipment and technical assistance has helped them identify new client segments.

The impact: Recyclo Congo aims to sell 1,000 tonnes of briquettes in Kinshasa.



DESIGN, PRODUCTION AND MARKETING OF IMPROVED COOKSTOVES



Company:
Brisol Sarl



Type of support:
Grants and TA



Target population:
**Households, restaurants
and businesses in Goma
and surrounding areas**

Business model: Briquette solution Sarl (Brisol Sarl) is a Congolese company created in 2018 and based in Goma which specializes in the design, production and marketing of improved stoves and ecological briquettes (ecological Makala) based on household biodegradable waste.

The intervention: Brisol specializes in the design, production and marketing of improved stoves. Brisol has improved the efficiency of its stove through a new design adopted after multiples rounds of technical assistance (TA) from UNCDF. Brisol has also increased their briquettes production capacity, sales force and diversified distribution model. The grant received from UNCDF has allowed Brisol to purchase new equipment and TA has helped them improve the design of stoves and production capacity.

The impact: Brisol aims to sell 16,200 improved cookstoves and 500 tonnes of briquettes in Goma and Bukavu through the Joint Program.



INTEGRATING WOMEN INTO CLEAN COOKING VALUE CHAINS



Company:
TAD et MBOA



Type of support:
Grants and TA



Target population:
Households in Goma and surrounding areas

Business model: TAD et MBOA will integrate women into the value chains of production and sales of improved stoves in the city of Goma and surrounding areas. TAD et MBOA aims to lighten the domestic work of women by improving cooking conditions through a stove model designed and manufactured by a consortium of women and men formerly grouped into different non-profit organizations.

The intervention: TAD et MBOA specializes in the design, production and marketing of improved stoves. TAD et MBOA has improved the efficiency of its stove through a new design adopted after multiples rounds of technical assistance (TA) from UNCDF. The grant received from UNCDF have allowed TAD et MBOA to purchase new equipment and TA has helped them identify new client segments.

The impact: TAD et MBOA aims to sell 1,000 improved cookstoves in Goma through the Joint Program.



INCREASING PRODUCTION AND QUALITY OF COOKSTOVES



Company:

Entrepreneur Sans Frontière



Type of support:

Grants and TA



Target population:

Households in Bukavu and surrounding areas

Business model: Entrepreneur Sans Frontière (ESF) aims to increase the production and quality of cookstoves. The production is carried out jointly by young women and members of the Pygmy community to contribute to the protection of the forests around the Kahuzi Biega National Park and its surroundings. ESF aims to create jobs and improve socio-economic conditions.

The intervention: This project aims to train young people and women, creating 135 jobs, in South Kivu to increase the production of stoves and improve their quality as well as intensify distribution with a positive implication on the maintenance of the ecosystem. ESF has received funding and technical assistance to improve the design of their stoves.

The impact: ESF aims to sell 5,000 improved cookstoves in Bukavu through the Joint Program.



PROMOTE AND DISTRIBUTE IMPROVED COOKING STOVE SOLUTIONS



Company:
ETS MIZINZI



Type of support:
Grants and TA



Target population:
**Households in Bukavu
and its surroundings**

Business model: ETS MIZINZI aims to promote and distribute improved cooking stoves, briquettes and clean charcoal as well as the production of quality ceramic liners. These actions contribute to the protection of the Kahuzi Biega National Park as well as the reserves in South Kivu.

The intervention: The company specializes in distribution and expands the range of improved cookstoves to satisfy various market segments. ETS MIZINZI has established distribution partnerships with producers of improved stoves, including from UNCDF partners such as ESF, TAD et MBOA, and Brisol), in Goma and Bukavu to maximize sales. The grant received from UNCDF have allowed ETS MIZINZI to increase their storage and distribution network and technical assistance has helped them identify new client segments.

The impact: ETS Mizinzi aims to sell 3,000 improved cookstoves, 3,600 ceramic liners, and 80 tonnes of briquettes in Bukavu through the Joint Program.



CLEAN COOKING SOLUTIONS ON CREDIT TO IMPROVE ACCESS FOR LOWER INCOME CLIENTS



Company:
YAWE NISSI



Type of support:
Grants and TA



Target population:
Households in Kinshasa

Business model: Through this project, YAWE NISSI is developing the method of selling on credit to allow people with lower incomes to access improved stoves by paying in installments.

The intervention: Yawe Nissi intends to develop the method of selling on credit in order to allow low income groups to obtain improved cookstoves by paying in installments.

The impact: Yawe Nissi aims to sell 10,000 improved cookstoves in working-class neighborhoods in the city of Kinshasa (Tshangu) through the Joint Program.



NETWORK OF SALES POINTS FOR IMPROVED 'MAFIKA BORA' STOVES



Company:
Halt Bank



Type of support:
Grants and TA



Target population:
**Households in
Lubumbashi, Haut
Katanga, Tanganyika,
Lomami and Haut
Lomami**

Business model: The Halt Bank project consists of developing the network sales points for improved “mafika bora” stoves in Haut Katanga, Tanganyika, Lomami, Lubumbashi, and Haut Lomami. The project contributes to job creation, the implementation of clean cooking solutions for 12,500 households and will have a direct impact on the protection of Miombo forest reserves.

The intervention: The project consists of the development of a network of sales outlets for the distribution of energy solutions (improved stoves) in the households.

The impact: Halt Bank aims to sell 12,500 improved cookstoves in Haut Katanga, Tanganyika, Lomami, Lubumbashi, and Haut Lomami, through the Joint Program.



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