Clean cooking fund: lessons learned to move toward universal energy access

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URGENT ACTION NEEDED: ACCELERATE ACCESS TO PROTECT VULNERABLE POPULATIONS FROM HIGH SOCIO-ECONOMIC COSTS.

Health: 3.2 million premature deaths each year that could be avoided with clean cooking

Today 2.3 billion people lack access to clean cooking

Emissions: 1.7 gigatons (Gt) of CO2e ~ 3% of global GHG

Gender: 47 days of extra work each year are required – mostly unpaid women/girls work

Other SDGs require energy access for food security, health, education, gender equality, income generation, reduce inequality and climate action.

Today 2.3 billion people lack access to clean cooking
THE WORLD IS NOT ON TRACK TO ACHIEVE UNIVERSAL ACCESS TO CLEAN COOKING SOLUTION BY 2030.

1.7 billion people will still lack access to clean cooking in 2030 if there is no substantial change.
COOKING IS THE MAIN EXPENSES OF THE MOST VULNERABLE
THERE IS NO JUST ENERGY TRANSITION THAT DOES NOT INCLUDE COOKING
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- **Carbon finance** could become a growing source of finance for clean cooking, as it creates a guaranteed source of revenue once a stove is delivered, and its climate impact verified.

- Clean cooking projects accounted for around 15% of all carbon credits issued from May to November 2023 (Reuters, 2024).

- In 2020 the cooking CO2 emissions was estimated in 1.69GtCo2, i.e. 3% of total global emissions.

### Emissions per year

<table>
<thead>
<tr>
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<th>Emissions per year</th>
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<tbody>
<tr>
<td>Traditional Charcoal Cookstove</td>
<td>9</td>
</tr>
<tr>
<td>Improved Charcoal Cookstove</td>
<td>5.5</td>
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<tr>
<td>Average US car</td>
<td>4.6</td>
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Ps.: average LPG cookstove 2-2.5tCo2/year

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WHAT IS CLEAN COOKING FUND?

- Leverage World Bank/Multilateral Development Banks finance and attract private-sector investments in the clean cooking sector.
- Catalyze technology and business innovations by providing incentives for players across clean-cooking value chains.
- Link incentive payments with verified results at the output, outcome, and impact levels.
- Support a sizable stream of businesses along the supply chain delivering clean cooking solutions.
- Develop an impact bond market for the clean cooking sector to attract a broad range of funding.

US$500 MILLION TO CATALYZE $2 BILLION IN INVESTMENTS AND REACH 200 MILLION PEOPLE

REPLICATION AND SCALE-UP

Universal Access to Clean Cooking
CLEAN COOKING FUND IS IMPROVING THE COOKING ECOSYSTEM THROUGH KNOWLEDGE, INVESTMENT, AND PARTNERSHIP.

INTERNAL PARTNERS

Cross-Sectoral Expertise
- Health
- Climate Change
- Environment
- Gender
- Social Protection
- Agriculture
- Behavior Science
- IFC

Upstream Support
- Country Climate & Development Reports
- Country Environmental Analysis
- Systematic Country Diagnostics
- Climate Co-Benefits Assessment
- IDA20 RMS
- WBG Energy Compact

CCF’s INVESTMENT PILLAR

Preparation
- BETF TA grant
- Co-financing RETF grant

Identification
- Tools and databases
- Country assessments
- Technical reports/advice
- Knowledge exchange and learning

Negotiations and Board Approval

Appraisal

Implementation Support

Completion & Evaluation

EXTERNAL PARTNERS

Global Outreach & Program Coordination/Collaboration
- World Food Program
- MECS Program
- Clean Cooking Alliance
- HEPA
- WHO
- UN Energy
- SEforALL
- EnDev/GiZ
- AFREC

CCF’s KNOWLEDGE PILLAR

Country Partnership Framework (CPF)

Preparation

Implementation Support

Completion & Evaluation

Appraisal

Identification

Country Partnership Framework (CPF)

• BETF TA grant
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• Tools and databases
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Negotiations and Board Approval
COUNTRY EXAMPLE: CCF COMPREHENSIVE SUPPORT IN RWANDA.

Upstream Support
- Rwanda NDC, Clean Cooking Energy Compact, Rwanda CCDR

Identification and Preparation
- Preparation grant
- Team technical support

Co-Financing and Implementation
- CCF million + IDA $20 million
- CCF BETF supervision grant

Additional Finance
- CCF + Ci-Dev carbon finance ($14.3 million), CCF BETF supervision grant

Internal partners
- Environment
- Carbon finance
- Social protection
- Behavior change

External partners
- GIZ/EnDev, SNV
- EU, Enable
- SEforALL, GLPGP
- CCA, MECS/LU
- WHO

Rwanda Clean Cooking Program
THE CCF IS SCALLING UP WORLD BANK’S FINANCING ON CLEAN COOKING.

WORLD BANK CLEAN COOKING INVESTMENTS FY19-24

- The Clean Cooking Fund has helped leverage more than double the amount of IDA financing.

CCF commitments is expected to directly support clean cooking solutions for 40 million people and 2500 schools.
KNOWLEDGE PRODUCTS, EVENTS AND TRAININGS.

Highlights of FY21-24 achievements:

Clean Cooking Fund

CLEAN COOKING Planning Tool
What is needed?

Knowledge and innovation

Financing and funding: grants and subsidies are necessary

Enabling conditions: Planning and goals - Energy, social, climate environmental

Market and industrial development: energy and appliances

Improving the Overall Cooking Ecosystem
ENABLING CONDITIONS FOR UPTAKE OF CLEAN COOKING SOLUTIONS.

Advancing policy awareness

- Enhance public and governmental awareness of the co-benefits of clean cooking access – multisectoral approach
- Measuring, evaluating and adapting policies.
- Foster coordination - government agencies and stakeholders

Regulatory Frameworks

- Regulations cookstoves and fuels
- Tariffs and subsidies reforms
- Fiscal re-adequation for clean fuels and cookstoves innovation

National Strategies

- Air Quality Programs, Nationally Determined Contributions, Social Protection Programs.
- National energy plans and energy transition strategies.
- Universal access planning.

Looking ahead
FINANCING SOLUTIONS TO UPTAKE CLEAN COOKING SERVICES

- Grants as key mechanism to leverage IDA/IBRD
- Subsidies are central (RBFs)

Clean Cooking is one of the most cost-effective instrument for CO2 reductions: e.g. GCF

- The benefits of clean cooking is much beyond CO2 emissions.

Leveraging private capital
- Require trust and low transaction cost

Grants and development funds

Climate Finance

Carbon Credits

Outcome Finance

Looking ahead
MARKET AND INDUSTRIAL DEVELOPMENT FOR CLEAN COOKING ACCESS.

Develop robust markets for clean cooking technologies to ensure accessibility and affordability of energy services.

1. **Product Design**
   - Implement and enforce quality standards to ensure reliability and safety. Invest in R&D, Testing centers, and cookstove laboratories.

2. **Manufacturing and Distribution**
   - Promote local manufacturing to reduce costs and create jobs. Foster joint ventures between local and international companies.

3. **Stove Suppliers**
   - Stove affordability and retail network

4. **End Users**
   - Conduct targeted marketing campaigns to increase consumer awareness and demand.

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**Energy**

1. **Clean fuel/energy value chain**

2. **Fuel infrastructure availability**

3. **Fuel affordability/sustainable tariffs and subsidies design**

4. **End Users: social protection to guarantee access to basic services**

Partnership is necessary for public goods development and to accelerate well-designed programs.
Michelle Hallack
Lead of Clean Cooking Fund - ESMAP
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