

Concept paper on SNV's engagement in the Global Alliance for Clean Cookstoves

The rationale of clean cookstoves:

The following facts provide the rationale for promotion of clean and efficient cookstoves:

- In 2009, 2.7 billion people – some 40% of the global population - relied on traditional use of biomass for cooking. Even including the new policy commitments, this number will rise to 2.8 billion people in 2030¹.
- Illnesses caused by exposure to smoke from cookstoves kill almost two million women and very young children a year – more than die from malaria².
- Reliance on biomass for cooking and heating, forces women and children to spend hours each week collecting wood.
- Cookstoves fuelled by unsustainably harvested and inefficiently burned biomass also increase pressures on local natural resources and contribute to climate change.

Why still stoves after all these years?

Since the 1970s, many activities related to clean cookstoves³ have been executed all over the world but apparently failed to deliver the required impacts as technical, social, financial, institutional and political factors were not taken into account sufficiently. Awareness in developed and developing world regarding the scope of the problem, especially on the health impacts, and the range of solutions available to policy-makers and development professionals has been scant. In addition, there has been little funding in the sector compared with resources available to address comparable issues or risks in related fields (electricity, clean water, malaria, TB, and health care). A comprehensive strategy at a global scale has been non-existent, resulting in more isolated projects that could not be brought to scale. Most notably, market-based approaches including the promotion of commercial clean cookstoves by producers have been insufficiently applied.

Global Alliance:

The Global Alliance for Clean Cookstoves is a new public-private partnership launched on 24 September 2010 in New York, USA, to save lives, improve livelihoods, empower women, and combat climate change by creating a thriving global market for clean and efficient household cooking solutions. The Alliance's '100 by 20' goal calls for 100 million homes to adopt clean and efficient stoves and fuels by 2020. The Alliance will work with public, private, and non-profit partners to help overcome the market barriers that currently impede the production, deployment, and use of clean cookstoves in the developing world, see www.cleancookstoves.org

More specifically, the Alliance aims to contribute to the achievement of the goal by • raising global awareness of the health and environmental benefits of clean cookstoves and fuels • funding health, climate, and other applied research to enhance understanding of the challenges and solutions in the sector • advancing the use of innovative finance mechanisms for clean stoves at scale • supporting capacity building for stove production and marketing, including working with women's collectives and NGOs • addressing import tariffs and trade barriers; and • mobilising effective sales, distribution, and supply chains, and engaging women as key allies in the cookstoves business chain.

The following organisations are Alliance founding partners (in order they joined):

- United Nations Foundation • Shell Foundation • U.S. Environmental Protection Agency • U.S. Department of State • World Health Organization (WHO) • German Federal Ministry for Economic Cooperation and Development (BMZ) • Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) • Morgan Stanley • UN-Energy • World Food Programme • UN Environment Programme

¹ *Energy Poverty. How to make modern energy access universal?* IEA, UNDP and UNIDO, September 2010

² *The Energy Access Situation in Developing Countries. A Review Focusing on the Least Developed Countries and Sub-Saharan Africa.* WHO and UNDP, November 2009

³ At present, there is no universal standard to define whether a cookstove is efficient and clean. Such definition will be one of the first goals of the Alliance. Different kinds of stove fuels will be considered by the Alliance, not only solid (biomass) fuels such as fuel wood and charcoal. Also liquid (like ethanol) and gaseous (like biogas) fuels are included; even kerosene and LPG. In addition, application of chimneys and ventilation will be also instrumental to reduce health hazards in the kitchen. All this variety will add to the operational complexity of the Alliance

(UNEP) • UN Industrial Development Organisation • U.S. Agency for International Development (USAID) • U.S. Department of Energy • U.S. Department of Health and Human Services (National Institutes of Health, and Centers for Disease Control & Prevention) • UN High Commissioner for Refugees • SNV Netherlands Development Organisation • Shell • Government of Peru • Government of Norway

The Alliance has mobilised over USD 64 million toward its USD 250 million goal⁴, however most of these commitments are multi-year and USD 54 million is in the form of US government contributions that must be expended directly by the agencies themselves.

Two existing networks have a clear link to the Alliance: Partnership for Clean Indoor Air (PCIA, www.pciaonline.org) and Household Energy Network (HEDON, www.hedon.info). It is proposed that PCIA will be integrated in the Alliance with the 5th Biennial PCIA Forum scheduled for 21-26 February 2011 in Lima, Peru being a platform for more discussion. With respect to HEDON there is no clarity yet.

Rationale for SNV to join the Alliance:

SNV has pledged an amount of USD 250,000 in cash and kind to the Alliance (about fifty-fifty)⁵. The principal justifications for SNV to become a founding partner are the following:

- Expansion of our RE programme: Acknowledgement that we reach a relatively small segment of (better off) households in the cookstove market only with our national programmes on domestic biogas⁶ and that we need to engage also in programmes that promote biomass fuelled stoves. The Alliance provides an excellent platform to profile SNV.
- Advocacy: Influence to get clean cooking solutions on the agenda of the developing countries which is often not the case at the moment.
- Business development: Though the Alliance will not finance deployment of stoves, we expect to get access through this partnership to external funds for programme implementation including our TA. In this respect, we propose to set a target of three SNV involved programmes referenced to the Alliance to be funded by the end of 2012 with an average external budget of EUR 5 million each covering 2 to 3 million stoves.
- Knowledge brokering: Brokerage of knowledge through selective participation in the Working Groups. The most relevant Working Groups for SNV are Carbon Finance and Reaching Consumers (see below).

Structure and working method of the Alliance:

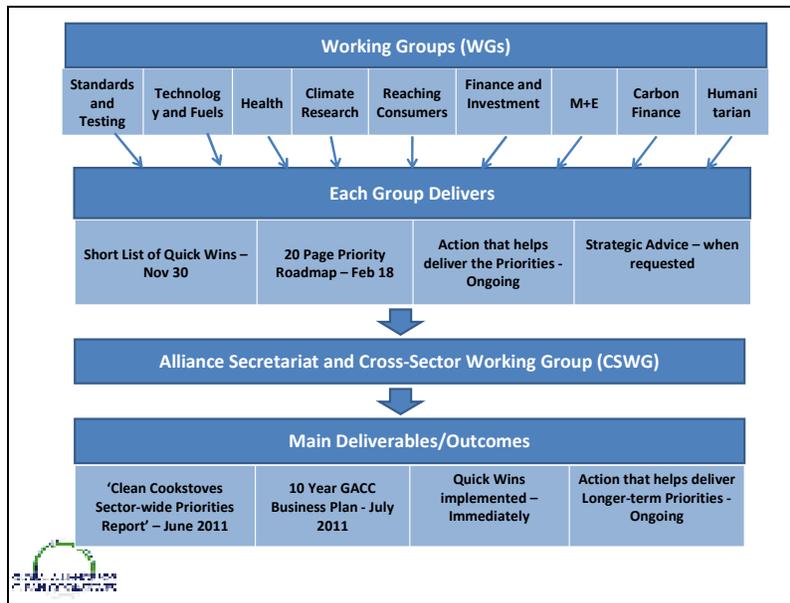
The Global Alliance will be governed by a 12-person Advisory Board providing guidance in all matters, including decisions related to its mission, programmatic focus, policies, funding, and growth. The Secretariat of the Alliance is housed at the United Nations Foundation in Washington and will consist of 4-5 staff responsible for the day-to-day running of the Alliance. The position of Executive Director is advertised. A Steering Committee consisting of different founding partners including SNV discusses the progress with the Secretariat on weekly basis through teleconference. In order to tap the expertise of its partners, the Alliance is in the process of creating Working Groups (WGs) of experts to advise it in key areas. For its first year of operations, the Alliance has created WGs on the following nine topics: Health, Climate Research, Standards and Testing, Technology and Fuels, Finance and Investment, Carbon Finance, Reaching Consumers, Humanitarian, and Monitoring and Evaluation⁷.

⁴ This budget appears to be excessively high for an initiative that will not finance actual deployment of stoves and needs to be validated in the process to arrive at a sound business plan. The UN Foundation on behalf of the Alliance has submitted a proposal to the Clinton Global Initiative in September 2010 requesting for a substantial financial contribution

⁵ A draft agreement related to this contribution has been formulated by UN Foundation and is in the process of being commented by SNV

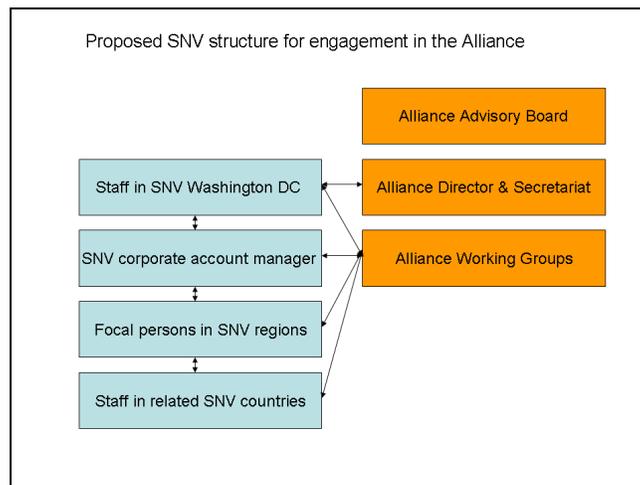
⁶ The total market potential amounts to approximately 155 million households (775 million people) out of which 40 million households (26%) have installed a biogas plant

⁷ *Working Groups Guide*. Global Alliance for Clean Cookstoves, undated



Proposed positioning of SNV within the Alliance:

As per the current situation, SNV may consider participating in different layers of the Alliance: Advisory Board, Steering Committee and Working Groups. Participation in the Advisory Board will be rather cumbersome both time- and distance-wise and is therefore not proposed. Our involvement in the Steering Committee is considered as very strategic for the brokerage of knowledge and information. Without such foothold, it will be difficult to stay informed on what is going on in Washington⁸. As the host of the Alliance – the UN Foundation – is based in Washington, one staff of our DC office will be involved. At corporate level, the Managing Director for Business Development will assume overall responsibility for this partnership, while a part-time Account Manager will be appointed at operational level. It is furthermore proposed to connect with SNV regional focal persons on clean cookstoves who will in turn connect with related staff in the involved countries. SNV’s participation in the WGs on Carbon Finance and Reaching Consumers are found most relevant for knowledge brokering. So far, SNV has been invited to provide a core member for the WG on Carbon Finance and is represented in the WG on Reaching Consumers through both a coordinator and a core member. This leads to the following proposal for our internal structure in 2011:



⁸ Once the Alliance will have appointed its Executive Director and some staff, the working relationship between the Secretariat and its Founding Partners may change

Estimated additional expenditures and proposed financing in 2011:

The estimated expenditures and proposed financing for the engagement of SNV in 2011 are provided in the table below:

Item	Specification	Estimated expenditures (USD)	Proposed financing
SNV manpower:			
One staff in SNV Washington DC to support the Alliance Secretariat incl. coordination of WG on Reaching Consumers	1 day/week plus travel budget	30,000	BD/WDC
Corporate account manager to coordinate SNV's engagement in the Alliance and to participate in WG on Reaching Consumers	1 day/week plus travel & small activity budget	50,000	BD/Partnerships
Carbon finance advisor to participate in the WG on Carbon Financing	0.5 day/week	15,000	BD/Partnerships
Focal persons in SNV regions (Asia, ESA, WCA, LA (?), Balkan (?))	0.5 day/week for each region	30,000	Related regions (3x)
Related staff in involved SNV countries	?	?	Related countries
Pledge to Alliance:			
Contribution in cash (50%)		125,000	BD/Partnerships
Contribution in kind (50%)	To be decided, total will be minimum USD 125,000 ⁹	-	See above and some other sources
Total:		250,000	

The total expenditures in 2011 are estimated to be USD 250,000 excluding the costs of possible related country staff. Financing is proposed through the BD unit (USD 220,000) and involved regions, mainly in kind (USD 30,000 each (person-days)).

Risks:

Despite the potential of the partnership of the Alliance, there are some associated risks as well:

- Missing link to deployment: The Alliance will not become a funding organisation and hence not provide financial assistance to the implementation of clean cookstove programmes. It is expected, however, that the Alliance will be able to act as a fund broker between donors and implementers and undertake advocacy to get clean cooking solutions on the agenda of the developing countries which is often not the case at the moment.
- Lack of buy-in by developing countries: So far, the Alliance has been very much a US based initiative, with recently more European partners coming on board. The developing countries have not been directly engaged and their voices have not been heard. As the deployment of clean cookstoves will have to happen in these countries, it is crucial that the Alliance will establish structural, transparent and effective relationships with the developing countries.

Scheduled activities in 2011:

The following are some of the scheduled activities of SNV in 2011 in the framework of the Alliance:

- Conclusion of the contribution agreement between the UN Foundation and SNV: Through a process of commenting, it is expected that the agreement will be signed before the end of February.
- Participation in the 5th Biennial PCIA Forum: This Forum is scheduled for 21-26 February 2011 in Lima, Peru and will provide a platform for further discussion and elaboration on all matters related to the Alliance. SNV will deploy a small team (2-3 persons) involving SNV/LA/Peru and SNV/USA to participate in the Forum.

⁹ The [video clip on clean cookstoves](#) produced in December 2010 for Euronews could already be considered as a contribution in kind

- Possible cooperation with European partners: GTZ¹⁰ and Shell Foundation are potentially interesting partners for cooperation. It will be (further) explored if it is worthwhile to establish a more formal basis for cooperation¹¹.
- Business development: In cooperation with the BD unit, RE knowledge network and the regions, proposals will be developed for programmes on clean cookstoves in qualified countries.
- Desk study on technical market potential: To justify our positioning choices by country, it is proposed to undertake a desk study on the technical potential for clean cookstoves in the developing countries.
- Regional conferences: Subject to resource mobilisation, SNV will support the organisation of regional conferences in ESA, WCA and Asia to present the Alliance and to initiate a dialogue with the major stakeholders on clean cookstoves in the respective countries.

The Hague, January 2011

¹⁰ The government of Germany has committed to organise a conference on clean cookstoves in Germany in 2012

¹¹ In addition, SNV may organize early 2011 a meeting with all relevant organizations in the Netherlands to provide information and to explore common issues in relation to the Alliance