

## Consumer Financing for eCooking Appliances – Stima Loan Starter Pack

*This project aims to expand the range of consumer financing options available for eCooking devices by piloting a starter pack of household wiring and energy-efficient appliances for newly connected customers. This project should explore the viability of utility-enabled financing for the starter pack, in particular the viability of extending Kenya Power’s existing Stima Loan product, which is already available for connection fees.*

### Programme Background

This project responds to a direct request from the Government of Kenya, through the Energy Transition Council, for support to accelerate the transition to electric cooking and develop a National eCooking Study and Strategy for Kenya. The National eCooking Study and Strategy will feed into the overarching National Clean Cooking Strategy 2022-2028 and will focus on how energy-efficient eCooking technologies can be scaled-up in Kenya with the intended impacts of minimizing the drudgery and health risks associated with the use of solid fuels for cooking; improving environmental sustainability; and stimulating growth in demand for electricity.

The project will deliver against three objectives:

- (1) to produce a major study highlighting the potential for electric cooking in Kenya and how uptake might best be accelerated;
- (2) to support innovative new ventures within the Kenyan electric cooking sector that can help deliver the above with a particular emphasis upon supply chain development, carbon finance, utility-enabled finance and other forms of innovative consumer financing and profile-raising public awareness activity. These two objectives will contribute to the final objective;
- (3) to support the Kenyan government in the production of an integrated and comprehensive new national clean cooking strategy that is sensitive to Kenya’s climate as well as energy access ambitions.

This project, as part of a package of studies for eCAP (ecooking capacity building and market development), will run in parallel to the development of the eCooking Strategy. The findings of the projects carried out under eCAP will be able to feed into the baseline study and the strategy and vice versa (i.e. issues identified during the baseline study can be explored and proposed actions from the strategy can be piloted in relevant eCAP projects).

### Project Background and Scope of Work

The cost of cooking with energy-efficient eCooking appliances can be much lower than other fuels, however the upfront cost of appliances is a significant barrier for low/middle-income households. A range of consumer financing models are now available that can break down this high upfront cost into manageable repayments, from women’s savings groups to IoT-enabled digital financing models such as PayGo. However, Kenya Power is uniquely positioned to leverage its existing customer relationships to deliver a range of utility-enabled financing options to its 8 million customers. Kenya Power developed the Stima Loan product to enable on-bill financing of new connections. However, consumption amongst newly connected customers has been very low, resulting in

limited additional revenue and significant financial liabilities due to high rates of default. As a result, Kenya Power is reluctant to use on-bill financing for its existing customers but would be willing to explore pairing demand stimulation with grid extension by extending new Stima Loans to include starter kit of appliances and household wiring that would enable households to start using significant amounts of power from the day they are connected.

## Activities & Outputs

1. **Stima Loan starter kit:** A pilot project to explore the extension of the Stima Loan product to energy-efficient appliances and household wiring suitable for cooking, as well as the connection fee. Includes appliance-level smart metering (hardware and technical support provided at no additional cost by A2EI) and targets households about to be connected via LMCP.
2. **Report writing:** Synthesise outcomes to inform the eCooking Strategy & KPLC's Board of Directors.

## Deliverables, budget, and duration

All contracting will be completed prior to the middle of December 2022. The research is expected to commence no later than **9<sup>th</sup> January 2023**. All deliverables must be completed and delivered no later than **15<sup>th</sup> July 2023**. These dates are non-negotiable.

The consultant should demonstrate in their response to these ToRs how the work can be completed within the time available. The total budget is a maximum of £17,746 (ex VAT where applicable). Payment is contingent on successful completion of all deliverables.

Date	Deliverable	Payment Value
December 2022	Contract Signing	25%
15 <sup>th</sup> March 2023	Interim report on key learnings	50%
15 <sup>th</sup> July 2023	Approved final report on key learnings	25%
<b>Total</b>		<b>100%</b>

## Communication and Reporting

The contractual requirements will be managed by Jane Spencer, Project Manager at Loughborough University. All communications and reporting should be sent to [j.e.spencer@lboro.ac.uk](mailto:j.e.spencer@lboro.ac.uk).

The consultant/organisation is expected to communicate regularly throughout the project via four-weekly update meetings or phone calls, and emails, on:

- Research progress and milestones achieved;
- Anticipated challenges or changes to research plans, activities and timelines;
- Upcoming activities and next steps; and
- Delays or concerns on reporting.

All meetings and appointments to discuss the overall progress of the project against the contract will be agreed and arranged in advance at mutually convenient times. Any significant changes to the approved research plan and timelines must be discussed and approved in advance. Loughborough University reserves the right to request the consultant/organisation to make revisions to the deliverables if they do not meet the required

quality. The consultant/organisation will be required to make these revisions at no additional costs to Loughborough University.

## Responding to these ToRs

Each submission will be evaluated based on the following combination of price and quality;

Quality	Score
Appreciation and understanding of the task.	5%
Quality of proposal and methodology	50%
Skills, expertise and experience of consultant/organisation team members including evidence of similar work completed	10%
Proposed management of the activities including Gantt chart	5%
Price and costs	30%
<b>Total</b>	<b>100%</b>

The University will accept the quotation which is the best value for money i.e. a balance between cost and quality. Shortlisted organisations may be invited to an interview (online) to finalise selection.

Responses should be a maximum of 12 pages (plus up to 3 CVs, 2 pages each).

Please send all responses to [steer@mailbox.lboro.ac.uk](mailto:steer@mailbox.lboro.ac.uk) with the subject 'Consumer Financing' by midnight (GMT) on **Thursday 17<sup>th</sup> November 2022**.

## Ethical considerations

All research must be in line with the [Code of Practice for research, Promoting good practice and preventing misconduct](#) (UK Research Integrity Office, 2009).

The UK Research Integrity Office (UKRIO) is an independent charity, offering support to the public, researchers and organisations to further good practice in academic, scientific and medical research. Its confidential advice service is available to free of charge to individuals (members of the public, research participants, patients, researchers and students) and subscribing organisations. Their advice service can be [accessed here](#).

At a minimum, participants must not be subjected to physical, social, legal or psychological harm. Due consideration and ethical steps must be taken into safeguarding all participants, especially the vulnerable. A detailed Participation Information Sheet explaining the full scope of the study, what confidentiality entails, and that no participants will be forced into participating, must be provided at recruitment. Participants are to be made aware that participation is fully voluntary and there are no repercussions if they choose to no longer participate in the study at any point in time. Participants should, ideally, sign a consent form which includes consent for the use of photographs and videos.

Confidentiality must be maintained at all times. With regards to confidentiality and privacy of participation, participants must be informed that their anonymity will be maintained in any outputs and that all identifiable

markers will be removed from any data sets that are published. Additionally, due consideration must be made to ensure that participants are safeguarded during the research process in line with the local government issued guidelines around COVID-19.

The consultant will be responsible for securing any research or ethical permissions needed from local authorities in each of the field work locations. There may be additional ethical, or research clearance needed for this kind of user centric design research in the chosen country.

