



Federal Government of Somalia
Ministry of Energy and Water Resources

**TERMS OF REFERENCE (TOR) FOR PROJECT CLEAN COOKING
CONSULTANT(FIRM)**

Country:	Federal Government of Somalia
Name of Project:	Household Access to Renewable Energy and Advanced Cooking Technologies (HAREACT) Project
Project ID:	P-SOFA0-003
Grant No:	2100155042182
Assignment Title:	Consultancy Services for the Design of a Results-Based Financing (RBF) Framework under the HARECT Project
Type of Appointment:	Consulting Firm
Place of Assignment:	Mogadishu, Somalia

1 Background

The Somali power sector is facing numerous challenges, especially in terms of the very low electricity access rate. Around 9 million of Somalia's total population of approximately 15 million lack access to electricity services, while the cost of power is among the highest in the world (> USD 0.6/kWh). About 90 percent of Somalia's electricity is supplied through isolated diesel-based mini-grids operated by private Electricity Service Providers (ESPs). In addition, the installed capacity is insufficient to satisfy current and future demand. The diesel-based mini-grids have a high cost of supply owing to the inefficiency of the diesel sets, the escalating cost of diesel fuel, and distribution losses. The electricity network is composed of numerous small and fragmented or isolated systems of low voltage system, posing a challenge for reliable energy systems. Furthermore, almost 90 percent of Somalia's populations rely on traditional biomass (charcoal and firewood). This over reliance on wood biomass contributes to deforestation. Replacing these practices with clean cooking solutions has the potential to reduce smoke emissions that pose human health.

To respond to this energy gap, African Development Bank (AfDB) approved the Households' Access to Renewable Energy and Advanced Cooking Technologies (HARECT). The project's development objective is to improve energy services in Somalia's urban and rural communities, thereby contributing to economic growth and improved health outcomes, while reducing any adverse environmental impacts. This will involve the scaling-up of modern energy services to both urban and rural communities through the implementation of renewable energy, the expansion and reinforcement of the distribution network, and the dissemination of advanced cooking technologies.

The clean cooking component will employ results-based financing (RBF) to improve the affordability of cookstoves for the most vulnerable populations. The overall objectives of this RBF program, are to reduce the cost of cookstoves, ensuring adoption by more households and attracting more private sector players to stimulate the market. These subsidies are expected to be fully passed

onto customers. The project will subsidize up to 50% of the cost of cookstoves to population groups who fit pre-determined selection criteria.

The Consulting Firm will be recruited to ensure the coordination and implementation of Clean Cooking activities under HARECT Project. The Consulting Firm shall operate under the supervision of the Project Implementation Unit (PIU), led by the Project Coordinator, who shall serve as the primary focal point for day-to-day coordination and reporting. The assignment shall be implemented under the overall oversight of the Ministry of Energy and Water Resources (MoEWR).

2 Scope of Work

The Consulting Firm shall design and develop an operational framework for Results-Based Financing (RBF) for the clean cooking component, with provision of implementation guidance for a limited pilot intervention. The assignment will focus on the preparation of a detailed project workplan, conducting a rapid market assessment and targeted stakeholder consultations in selected pilot areas to identify priority customer segments, and proposing appropriate payment options and subsidy structures tailored to different user groups.

The Consulting Firm shall develop the RBF modalities, including design of systems, tools, and procedures for supplier selection, subsidy administration and performance monitoring. This will include defining eligibility criteria for cookstoves and suppliers, and providing high-level recommendations for awareness and user engagement approaches to support pilot uptake.

This section presents a series of tasks that provide a guiding framework. The Consulting Firm is expected to build on the following tasks to develop a refined methodology, technical approach, and detailed Workplan for the assignment.

Task 1: Prepare Workplan

- Develop and finalize a project Workplan with specific dates and responsible parties for each task.
- Ensure the Workplan includes timelines for rapid assessment activities, targeted stakeholder consultations, and streamlined analysis, and reporting.

Task 2: Conduct study on households and identify key customer segments

- Undertake a rapid market assessment in selected pilot regions (limited to 2–3 locations) to identify priority customer segments and key demand characteristics.
- Conduct targeted stakeholder consultations, including local authorities and community representatives, to validate key assumptions on demand and adoption.
- Use simplified data collection methods (key informant interviews and short surveys) to identify key constraints to adoption.
- Establish various payment options for customers, including cash sales, Pay-As-You-Go (PAYGO), credit sales with simplified and context-appropriate repayment structures.
- Prepare a concise summary of prioritized customer segments, including key customer characteristics and affordability thresholds for pilot targeting.

Task 3: Design and provide implementation guidance for RBF modalities for clean cooking activities

- The Consulting Firm shall design and develop a practical and pilot-focused Results-Based Financing (RBF) operational framework for the clean cooking component and provide implementation guidance for a limited pilot intervention.

- Propose and design RBF bidding processes and mechanisms, including development of competitive bidding processes for selecting suppliers and establish clear screening and scoring criteria to ensure high-quality and cost-effective solutions.
- Prepare standard bidding documents, including requirements, evaluation criteria, and submission guidelines, for use by the Executing Agency.
- Design incentive mechanisms to motivate suppliers to achieve project objectives, with simple, clearly defined performance-based incentives linked to verified results.
- Define clear and verifiable milestones and deliverables that will serve as payment triggers under the RBF scheme.
- Recommend the structure, number and timing of subsidy disbursements to ensure financial viability while maintaining simplicity and accountability for pilot implementation.
- Develop a subsidy framework that determines customer contribution levels based on stove tier, cost, socioeconomic characteristics of targeted customer segments, with due consideration for affordability and inclusion of vulnerable groups within a simplified and easy-to-administer structure.
- Design a verification framework outlining procedures for confirming achievement of payment triggers and key milestones, to be implemented by an independent third-party verification agent procured and engaged by the Executing Agency. The role of the Consulting Firm shall be limited to: (a) designing the verification framework and protocols; (b) defining verification indicators and data requirements; and (c) providing technical guidance. The Consulting Firm shall not undertake verification of results or certify payment claims, in order to avoid any conflict of interest.
- The verification system shall ensure independence, transparency, and reliability of outcomes, in line with good international practice.
- Define a streamlined monitoring approach with a limited set of key performance indicators, including relevant gender and social considerations to support ongoing oversight by the Executing Agency.
- Prepare a concise RBF operational manual outlining key procedures for pilot implementation for adoption and use by the Executing Agency.

Task 4: Develop eligibility criteria for cookstoves and suppliers

- Define practical and minimum technical and performance criteria for selecting cookstoves ensuring alignment with the needs, preferences, and socioeconomic characteristics of the identified and prioritized customer segments.
- Reference relevant international standards (e.g., ISO International Workshop Agreement (IWA) tiers) to guide selection, with focus on proven, market-ready technologies.
- Incorporate environmental, health, and social considerations into stove selection criteria, including emissions reduction, fuel efficiency, user safety, and suitability for local cooking practices in a simplified and practical manner.
- Define supplier eligibility criteria focusing on demonstrated capacity, distribution ability, and availability of after-sales support within pilot areas.
- Ensure that eligibility criteria promote inclusivity, including participation of local enterprises, women-led businesses, and suppliers capable of serving vulnerable and hard-to-reach populations.
- Prepare a concise Eligibility and Qualification guideline for use by the Executing Agency in pilot implementation.

3 Governance and Contracting Arrangements

The Ministry of Energy and Water Resources (MoEWR) will be the Executing Agency for this assignment. The PIU Project Coordinator shall report to the Director General (DG) of MoEWR and serve as the primary focal point for day-to-day coordination and supervision of the assignment.

The Consulting Firm shall report directly to the HAREACT Project PIU Coordinator. The PIU team shall work closely with the Consulting Firm's technical team and provide the necessary support during execution of the consultancy services. All deliverables submitted by the Consulting Firm shall be reviewed by the PIU and formally approved by MoEWR. The Consulting Firm shall also coordinate, as required, with relevant stakeholders including government entities, development partners, and sector institutions to ensure alignment with ongoing clean cooking initiatives.

3.1 Progress Review Meetings

The Consulting Firm shall hold periodic progress meetings with the MoEWR/PIU at least once a month. Additional meetings may be scheduled as required. The intent of these meetings will be for the MoEWR to provide input and to discuss options for addressing the Ministry's comments. The Consulting Firm shall fully cooperate with the MoEWR in scheduling and attending such meetings as requested by the Ministry. The Consulting Firm shall be responsible for preparing meeting minutes for each meeting. The meeting minutes shall be shared with all participants for review and comment and finalized versions shall be maintained as part of the project records.

3.2 Facilities to be provided by Consulting Firm

The following facilities shall be provided by the Consulting Firm to its personnel during the execution of the consultancy services contract:

- Office space with furniture
- Internet access
- Required office stationery

4 Firm Qualification and Experience

The Consulting Firm shall demonstrate adequate technical, managerial, and institutional capacity to successfully deliver the assignment. The Firm shall have proven experience in clean energy, results-based financing (RBF), and advisory services in donor-funded environments or related fields.

The Consulting Firm shall meet the following minimum qualifications:

- Demonstrated experience in renewable energy, energy efficiency, clean cooking technologies, energy access, or closely related fields.
- Proven track record in the design and/or implementation of results-based financing (RBF), subsidy programs, or market-based mechanisms within the energy or development sectors.
- Demonstrated relevant experience in successfully delivering consultancy services for assignments of a similar nature and complexity, preferably under donor-funded projects financed by the African Development Bank (AfDB), other international Development Finance Institutions (DFIs), multilateral organizations, and/or government ministries, departments, and agencies.
- Demonstrated experience working with government ministries, departments, and agencies, particularly in the design and delivery of public sector programs.
- Proven experience in program management, including planning, coordination, monitoring, and reporting for complex, multi-stakeholder assignments.
- Demonstrated experience in conducting market assessments, stakeholder engagement, and socio-economic analysis in developing country contexts, with proven experience in FCV environments, particularly in countries comparable to Somalia and across Sub-Saharan Africa.
- Demonstrated capacity to develop technical frameworks, operational guidelines, and strategic plans in the energy or development sectors.
- Proven experience in integrating environmental, social, and gender considerations into project design and implementation.

- Excellent report writing and documentation skills, with demonstrated ability to prepare high-quality technical reports, ToRs, concept notes, and policy or strategy documents.

5 Team Composition, Qualifications and Experience of Key Personnel

The Consulting Firm shall propose a multidisciplinary team of qualified experts with demonstrated experience in clean cooking, energy access, results-based financing (RBF), social development, and market-based program design. The team shall collectively possess strong technical, analytical, and stakeholder engagement capabilities relevant to the assignment. At a minimum, the Consulting Firm is expected to propose the following key experts:

4.1. Team Leader/RBF Specialist

Qualifications and Experience:

- Advanced degree (Master's or higher) in Energy, Engineering, Economics, Development Studies, or a related field.
- Minimum of eight (8) years of relevant professional experience in energy access, renewable energy, or clean cooking initiatives.
- Proven experience in managing donor-funded projects, including those financed by the African Development Bank (AfDB) or other Development Finance Institutions (DFIs).
- Demonstrated experience in leading multidisciplinary teams and delivering complex technical advisory assignments.
- Strong understanding of energy markets in developing country contexts, preferably in Sub-Saharan Africa.

Role:

- Provide overall leadership, coordination, and quality assurance of the assignment.
- Serve as the primary point of contact with the PIU and MoEWR.
- Oversee delivery of all outputs and ensure alignment with project objectives.

4.2. Clean Cooking Specialist

Qualifications and Experience:

- Degree in Engineering, Energy, Environmental Science, or related field.
- Minimum of five (5) years of experience in clean cooking technologies, energy efficiency, or related technical fields.
- Familiarity with ISO International Workshop Agreement (IWA) tiers and stove performance standards.
- Experience in technology assessment, quality assurance, and product certification frameworks.

Role:

- Define technical criteria for cookstove selection.
- Support development of standards for efficiency, safety, and emissions.

4.3. Social Development / Gender Specialist

Qualifications and Experience:

- Degree in Social Sciences, Gender Studies, Development Studies, or related field.
- Minimum of five (5) years of experience in community engagement, gender mainstreaming, and social inclusion.
- Experience working with vulnerable groups and designing behavior change interventions.

Role:

- Integrate gender and social inclusion considerations across all tasks.
- Support customer segmentation, awareness strategy, and affordability targeting.

6 Duration of Assignment

The assignment will commence at completion of the selection process and upon contract signing. The contract with the selected Consulting Firm, expected to start in September 2026, will last for a period of Six (6) months, A precise work program will be agreed upon with the AfDB on commencement of the assignment.

7 Exclusivity

The appointment of the Consulting Firm and the acceptance of such appointment shall constitute an engagement to provide the services described in the Scope of Works for the duration of the contract.

This engagement shall be exclusive only with respect to the services under this assignment. The Consulting Firm shall remain free to undertake other assignments, provided that such engagements do not give rise to any conflict of interest or adversely affect the performance, independence, or integrity of the services under this contract.

8 Confidentiality

Any information provided by AfDB, other financiers, project sponsors, or by any other source concerning any AfDB project or activity will be considered confidential and proprietary in nature and should not (except as required by law) be disclosed by the Consulting Firm to any third party.

9. Deliverables

The Consulting Firm will be expected to undertake the following actions and deliver the following outputs:

No	Deliverables	Duration	Payment Schedule
1.	Inception Report including detailed Workplan, methodology, and targeted stakeholder consultation approach	End of month 1	20 %
2.	Rapid Market Assessment and Customer Segmentation Report, including summary market analysis and prioritized customer segments, and proposed payment options	End of month 3	60%
3.	RBF Operational Framework and Eligibility Criteria, including the design of RBF modalities, bidding processes, subsidy structure, payment triggers, basic verification and streamlined monitoring approach, as well as the development of technical, ESG, and qualification requirements for the selection of cookstoves and suppliers and a concise RBF operational manual for pilot implementation.		
4.	Brief note outlining key awareness and user		

No	Deliverables	Duration	Payment Schedule
	engagement recommendations to support pilot uptake.	End of month 5	10%
5.	Final Report, consolidating all deliverables and incorporating feedback from the Client and AfDB	End of month 6	10%
	Total		100%