

Environmental and Social Data Sheet

Overview

Project Name:	EAST AFRICA CLEAN COOKING EXPANSION
Project Number:	2023-0395
Country:	<i>Kenya, Tanzania, Zambia</i>
Project Description:	Financing the expansion of electric clean cooking activity of the company Burn Manufacturing, primarily in Kenya, Tanzania, and Zambia, as well as potentially other African countries.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The electric induction cooking systems under the operation comprise an induction cooking plate rated 200-600W, and a set of two cooking pots and frying pan. These systems will not require an EIA under local legislation, nor would they fall under the scope of Annex II of the EIA Directive, if they were located in the EU.

When acquired by the customer, the electric cooking systems are mostly displacing polluting and expensive solid biomass (wood, charcoal), and thereby significantly contributing to climate change mitigation and avoiding environmental degradation due to the unsustainable harvesting of firewood and charcoal production. In addition, electric cooking avoids indoor emissions from the combustion of solid biomass and thereby significantly improves indoor air quality and avoids the negative health impact from traditional cooking fuels.

The project is aligned with the objectives of the Paris agreement and the Climate Bank Roadmap, as it actively contributes to climate change mitigation by providing energy efficient cooking solutions, and does not cause significant harm to other environmental and social objectives. Overall, the operation is expected to have limited environmental risk.

EIB Carbon Footprint

Estimated emissions savings are about 3 million tonnes of CO₂ equivalent per year from avoided wood and charcoal burning, net of emissions from the generation of the electricity required for the operation of the induction cooking plates. For the annual accounting purposes of the EIB Carbon Footprint during the monitoring phase, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



Luxembourg, MC meeting 22.12.2023

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty Burn Manufacturing Inc. is in scope and screened out of the PATH framework, because it is not considered high emitting or high vulnerability.

Social Assessment, where applicable

Overall, the operation is expected to have large social benefits thanks to the provision of access to modern, energy efficient, clean cooking solutions, which result in no indoor pollution and significant cost savings when compared to traditional solid biomass alternatives.

The product and payment system is designed to enable low-income households to afford these modern clean cooking solutions. The operation is therefore expected to reach people at the bottom of the pyramid, who are particularly vulnerable both to high alternative fuel cost, and to negative health impacts from traditional cooking methods in small dwellings. This aligns well with the project being financed under the Bank's Impact Financing Envelope.

Notably, electric cooking drastically reduces the use of traditional cooking methods, which are both polluting, time consuming and dangerous for human health. Electric cooking is not only cheaper and cleaner but also faster, thereby reducing the time required for cooking activities.

The operation is considered to have a principal contribution to gender equality and qualify for the 2X Challenge employment and consumption criteria. The Promoter has several measures in place including a gender action plan to advance gender equality and women's economic empowerment through its products and employment opportunities. Women are the primary user of the promoter's products constituting 70% of its customer base. Women's specific needs are considered in the product design. The promoters impact surveys show how its products are reducing women's time poverty, improve life quality and family health. The promoter has 54% women in the workforce and 40% at management level with a target to achieve gender balance across its managerial and employment categories by the end of 2025.

In line with its sustainability and social responsibility policies, the promoter complies with labour standards in its manufacturing facilities. This is reflected in the ESMS (which includes also provisions of compliance in the electric cookstoves supply chain) and quality, health and safety policy and procedures implemented by the promoter.

Public Consultation and Stakeholder Engagement

The promoter has a comprehensive grievance mechanism (for workforce, sales agents and customers) in place. The central contact points for the customers are the call centre, the sales agents concerned, and the staff in the sales points. Complaints are systematically recorded and there are escalation mechanisms available for customers.

Other Environmental and Social Aspects

The promoter has a well-developed Environmental and Social Management System (ESMS) which takes into account environmental and social impacts of the promoter's products. It includes a set of procedures included in the employment contract (labour and working conditions), as well as a set of company policies containing the principles of ethical behaviour, occupational health and safety, and customer protection principles.

Conclusions and Recommendations

The operation is expected to have large social and gender equality benefits thanks to the provision of access to clean cooking and intentional approach to promote gender equality through its products and employment opportunities.

On-going actions and existing policies and procedures should adequately tackle the operation's limited environmental and social risk, especially associated with the working conditions of sales agents and workers in the manufacturing facilities.

The project is acceptable for EIB financing in E&S terms.