

About AECF

The AECF is a development institution which supports businesses to innovate, create jobs, leverage investments and markets in an effort to create resilient and sustainable incomes in rural and marginalized communities in Africa.

Launched in 2008, the AECF has mobilized over US \$310 million to date, leveraging more than US \$580 million in matching capital and improving the lives of more than 13 million people through jobs and increased household incomes. AECF has so far supported 257 companies in 24 countries in sub-Saharan Africa across 40 value chains in our focal sectors of agribusiness and renewable energy.

In the new 2018-2020 strategy, our goal is to "double our impact in half the time". To achieve this, we will continue to focus on the agribusiness and renewable energy sectors, increase support to climate smart technologies, refine our challenge model, expand regional presence, deepen focus on gender, youth and employment by expanding our products and partnership approach to better meet our investees' current needs; and ensure they rapidly scale and transition to external financing and sustainability thereby attaining our vision of 'A Prosperous and Enterprising Rural Africa'

REACT

Renewable Energy and Adaptation to Climate Technologies (REACT) window catalyses private sector to increase supply of cleaner fuels (e.g. ethanol) and cook stoves, and to raise awareness on the dangers of indoor air pollution.

Over the past seven years the portfolio has demonstrated how renewable energy technologies and businesses have the potential to reach Africa's rural communities. Limited access to sources of clean and affordable energy, especially in the rural areas continues to undermine the productivity of households and businesses.

Climate change has the potential to reduce agricultural yields, increase water scarcity and the frequency of extreme weather. REACT has shown that private sector innovation has the potential to reach people in ways that large-scale government investment in grid extension and climate adaptation infrastructure struggle to deliver.

To date the portfolio has committed over US\$131 million to 79 companies implementing innovative business models that provide increased access to clean energy, financial services and climate smart solutions for the rural poor.

The portfolio is present in 13 countries namely Zimbabwe, Mozambique, Tanzania, Burundi, Kenya, Rwanda, Uganda, Ethiopia, Zambia, Sierra Leone, Malawi, Liberia and Mali.

The next transformative leap will lie in the provision and use of electricity as an enabler of rural industry: processing, production, irrigation, storage, machining, industry, internet access, information and higher education.

How do we invest?

The AECF provides between US\$ 100,000 and US\$ 1.5 million in funding to businesses allocated through business competitions in priority sectors in Africa. The winning proposals are selected on the basis of their commercial viability, innovation and potential development impact on the rural poor.

To ensure the Fund does not crowd out other sources of finance, investees co-finance a minimum of 50 percent of the total cost of the project.

What areas does AECF support?



Access to low cost sources of renewable energy:

This includes cost effective renewable power, commercially viable renewable fuels and other clean energy alternatives;



Technology for Climate Change Adaptation:

The emphasis is on products and services that help rural people and smallholder farmers adapt to climate change;



Increased access to end user financing for clean energy:

End user financing that allows customers to pay for clean energy assets in affordable increments is a key factor in the rapid uptake of off-grid solar home systems and other clean energy products (e.g. cook stoves).



Improved sustainable electricity access

results in better access to data for increased agricultural productivity through charged mobile phones, increased education through access to lighting and improved respiratory health through the use of electric cook stoves

What technologies and business models does AECF invest in?

- i. Off-grid solar and micro solar PV home systems, for household lighting and charge stations.
- ii. Mini and micro grids power supply solutions.
- iii. Power generation from renewable energy to complement grid supply, on a scale of less than 15 MW (through biomass and small hydro plants)
- iv. Bioenergy - including biogas, alternatives to charcoal and conventional cook stoves
- v. Agribusiness: "climate smart" interventions in arid and semi-arid lands.
- vi. Climate information and media services
- vii. Distribution models that supports local entrepreneurship and growth of SMEs within a renewable energy product demand and supply chain.
- viii. Innovative ideas that stimulate "next generation" approaches in the renewable energy sector.



REACT Impact

- i. **US\$ 83 million** in funding committed to **79 companies**
- ii. Leveraged an additional **US\$ 207 million** in co-financing from private sector.
- iii. Provided improved access to clean sustainable energy for over **4.5 million** people.
- iv. Over **15 Mega Watts** of clean energy capacity have been installed
- v. Assisted in **preventing the release of over 500,000 tonnes** of CO2 emissions.

For more information on the AECF, please get in touch with us on info@aecfafrica.org or visit www.aecfafrica.org