Taking the Lead
Financing Renewable Energy & Climate Technologies
Africa is the world’s second largest continent, home to 1.2 billion people, most of whom live in rural areas.

The majority of this rural population - an estimated 218 million people - live in extreme poverty and over 600 million people lack access to electricity. Driven by our mission of enhancing a prosperous and enterprising rural Africa, AECF invests in Agribusinesses and Renewable Energy & Climate Technologies that have the potential to disrupt markets, and spur industrialization.

AECF works where others will not; investing in emerging, post-conflict and transitioning states to create new markets and funding businesses to scale their operations for underserved and hard to reach populations. However, this cannot be achieved alone. AECF forges strategic partnerships with investees and key stakeholders to leverage knowledge and resources to create jobs and improve lives in rural Africa.

What support does AECF provide?

AECF provides between US$ 100,000 and US$ 1.5 million in funding to businesses allocated through competitions in priority sectors in Africa. The support provided is in form of:

Grants:
Businesses are provided with non-repayable investments in staged payments against contractually agreed targets and matching funds.

Concessional loans:
Businesses are provided with interest-free loans against agreed targets and matching funds with an obligation of repayment.

Technical Assistance:
Technical and Business advisory support services for all investees.

Linkages to follow-on investors:
AECF Connect provides financial advisory and match-making for follow-on financing and facilitate connections with potential investors.
Why Renewable Energy & Climate Technologies?

With current trends, it is estimated that it will take Africa until 2080 to achieve Sustainable Development Goal (SDG) seven, which seeks to ensure access to affordable, reliable, sustainable and clean energy for all.

The International Energy Agency estimates that over 600 million people in Africa lack access to electricity. This persistent energy poverty stifles economies and limits opportunities for people in the low-income bracket. Millions more lack clean cooking, heating alternatives and sustainable opportunities to be more resilient to effects of climate change.

AECF accelerates access to affordable off-grid energy by providing financial and technical assistance to innovative and scaling businesses working to enhance the livelihoods of Africa’s most marginalized communities.

By 2017, AECF has benefitted 6.6 million people in sub-Saharan Africa and its investments in the sector have contributed immensely to improving market systems in which low income customers have a choice of quality and affordable clean energy solutions. As part of our continued commitment towards achieving SDG7, AECF aims to benefit over 12 million people across Africa with clean, quality and affordable energy by 2023.

Through Renewable Energy & Adaptation to Climate Technologies (REACT), AECF will continue to de-risk businesses which introduce appropriate and scalable clean energy solutions to costly and hard to reach rural, peri-urban, transitioning and fragile markets across Africa.

Next frontier for REACT investments in renewable energy sector, is supporting centralized power generation from renewable energy sources to complement grid electricity supply to rural communities.

AECF will continue to invest in technologies which enable rural farmers to adapt to and mitigate effects of climate change.

AECF will continue to focus on entrepreneurs that bring to market innovative products and inclusive business models to reduce risk and encourage innovation.
Areas AECF Supports in Renewable Energy & Climate Technologies.

- Increased access to low cost, quality, renewable energy products and services for rural households and businesses in sub Saharan Africa.
- Increased access to technologies that help small holder farmers adapt to climate change.
- Increased access to financial services that enable target customers to pay for renewable energy and climate smart products and services.

**What technologies and business models has AECF invested in?**

1. Solar PV systems for household lighting and productive use.
2. Mini and micro grids power supply solutions, generated from hydro, solar and wind.
3. Power generation from renewable energy to complement grid supply, on a scale of less than 15 MW (through biomass and small hydro plants).
4. Bioenergy - including biogas, alternatives to charcoal, energy efficient cook stoves.
5. Climate smart technologies for rural arid and semi-arid lands.
6. Climate information access services.
7. Distribution models that supports local entrepreneurship and growth of SMEs within a renewable energy product demand and supply chain.
8. Innovative ideas that stimulate “next generation” approaches/technologies/applications supporting distribution of renewable energy products and services.
REACT Impact

US$ 288 million investee funds matching disbursement

20 Total Mega Watts of clean energy capacity installed

US$131 million total donor commitment

4,900 direct jobs

6.6 million people reached

716,000 total tonnes of CO₂ emissions prevented.