Taking the Lead

Building a prosperous, enterprising and resilient Africa
The AECF (formerly the “Africa Enterprise Challenge Fund”), is the leading African-based development organisation that supports innovative commercial businesses in the agribusiness and renewable energy sectors with the aim of reducing rural poverty, promoting resilient communities and creating jobs. AECF has raised over US$ 400 million to date and provides catalytic funding to enterprises in 26 countries in Sub-Saharan Africa by investing in businesses that struggle to meet traditional risk-return standards for commercial investors.

AECF was launched at the World Economic Forum as an initiative of the Alliance for a Green Revolution in Africa (AGRA). Since 2008, it has been supported by donor governments namely Australia, Canada, Denmark, Netherlands, Sweden, United Kingdom, European Union, and international finance institutions such as the Consultative Group to Assist the Poor (CGAP), International Fund for Agricultural Development (IFAD), and International Finance Corporation (IFC).

In 2021, AECF launched a new strategy with the objective to build resilience and sustainable incomes for rural and marginalised communities in Africa. Through catalytic funding, we help surface and commercialize new ideas, business models, companies and technologies designed to increase agricultural productivity, expand energy access, and alleviate poverty while also addressing the crosscutting themes of women and youth. AECF is committed to working in frontier markets, fragile contexts, and high-risk economies where few mainstream financing institutions dare to go.

Our Delivery Model

AECF targets Small and Growing Businesses (SGBs) with financing needs under US$ 2 million, and in 2021, introduced a lower ticket size category of US$ 25,000 - US$ 100,000 to complement the existing range of US$ 100,000 - US$ 2,000,000 used to date.

Businesses and business proposals are selected on the basis of their commercial viability, innovation and potential development impact on the rural and marginalised communities. To ensure AECF does not crowd out other sources of finance, investees co-finance the total cost of the project, with the exception of youth/women-focused and businesses in fragile contexts.

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

We Deliver High Impact
AECF has benefited over 30 million rural and marginalised people across Africa created and sustained close to 27,000 jobs while avoiding over 1.4 million tonnes of CO₂ emissions equivalent.

We Leverage Additional Funding
Since 2008, AECF has committed over US$ 220 million to 375 companies, in 26 countries and leveraged an additional US$ 771 million from private sector commitments.

We have an Effective Delivery Mechanism
AECF has successfully developed and scaled more than 40 agribusiness value chains, 10 renewable energy technologies and improved sustainable electricity access to households.

Our Portfolio Reach
AECF has investments in over 375 businesses in 26 countries across Africa including:

- **East Africa**
  - 184 businesses
  - Burundi
  - Kenya
  - Rwanda
  - Tanzania
  - Uganda

- **Horn of Africa**
  - 35 businesses
  - Ethiopia
  - Sudan
  - South Sudan
  - Somalia

- **West Africa**
  - 70 businesses
  - Burkina Faso
  - Cote d’Ivoire
  - The Gambia
  - Ghana
  - Liberia
  - Mali
  - Nigeria
  - Senegal
  - Sierra Leone

- **Southern Africa**
  - 85 businesses
  - Malawi
  - Mozambique
  - South Africa
  - Zambia
  - Zimbabwe

- **Central Africa**
  - 10 businesses
  - DR Congo
  - Cameroon
Our Impact

Agribusiness Portfolio

- Raised US$ 220 million in funding and supported over 200 companies across 26 countries in Sub-Saharan Africa.
- Over 20 million rural and marginalised people have benefited from AECF’s investment in agribusinesses.
- Leveraged over US$ 390 million in co-financing and follow-on funding from the private sector.
- Successfully developed and scaled both new and existing business models in more than 40 value chains including: avocados, bananas, coffee, cocoa, maize, macadamia, soya, peanut, moringa, patchouli, cassava.
- 17,586 jobs created and sustained by the agribusiness portfolio companies.
- Significant impacts on market systems, resulting in increased agricultural productivity, improved food production and security.

Renewable Energy Portfolio

- Raised US$ 182 million in funding committed to 175 companies across 19 countries in Sub-Saharan Africa.
- Provided improved access to clean sustainable energy for over 10 million people.
- Improved sustainable electricity access resulting 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 improved and modern cook stoves.
- Leveraged US$ 373 million in co-financing and follow-on funding from the private sector.
- 9,218 jobs created and sustained by the renewable energy portfolio companies.
- Assisted in preventing the release of over 1.4 million tonnes equivalent of CO₂ emissions.
- Installed 36 Mega Watts (MW) of clean energy capacity through portfolio companies.
Renewable Energy

Access to renewable and other sources of clean energy for domestic and productive use provides a golden thread to unlock sustainable economic growth, improve human health and well-being and enable marginalized communities to lead more productive lives. Yet innovative technologies and business models remain very high risk with even established enterprises in sectors such as PAYGO solar yet to become profitable.

Decentralized productive power business models and those that intend to bring clean cooking into Africa’s homes are still nascent with clear pathways to profitability yet to be found.

Our renewable energy portfolio companies implement innovative business models that provide increased access to clean energy, financial services and climate smart technologies.

- Increased access to low cost, clean energy for rural businesses and households. This includes cost effective renewable power, commercially viable renewable fuels and other clean energy alternatives.
- Products and services that help rural people and smallholder farmers adapt to climate change.
- Financial services that increase access to finance for low cost, clean energy and climate resilient technologies or to catalyze financial solutions.

Climate Change Mitigation and Adaptation

In less than ten years, by 2030, more than 52 million people, across 18 Sub-Saharan African countries will face crisis levels of hunger due to droughts, floods, landslides, and extreme temperatures. Extreme climatic events will most adversely affect the poor and marginalized in Africa. Despite making very little contribution to global warming, the continent will be amongst the first and most negatively affected by it. This is exacerbated by the lack of technical capacity to mitigate and adapt to climate change effects, compounded by large populations and high levels of poverty.

We integrate climate change in our programmes ensuring that climate risks are considered when selecting businesses that we invest in.

AECF aims to contribute to building the resilience to climate change through its interventions by:

- Investing in innovative climate smart technologies and business models.
- Investing in technologies that support both the mitigation and adaptation to climate change.
- Exploring the nexus with other sectors, including energy, agriculture, education, social infrastructure, and health.
Grants and Concessional Loans

AECF provides patient capital to new and innovative business models in the agribusiness and renewable energy sectors across Sub-Saharan Africa through various financing instruments, which include grants, zero-interest loans, guarantees, and working capital facilities.

Advisory Services

AECF provides a range of advisory services to the enterprises that it finances, either embedded within the fund management process or through the AECF Advisory Studio (with a suite of standardized or bespoke technical advisory offerings for business growth) to improve investee internal capabilities. AECF increasingly deploys advocacy advisory support to improve the enabling environment for our investees.

Investment Support - linkages to follow-on investors

For investees moving towards commercial finance, we provide match making services. This includes technical and financial services to prepare companies to approach the market (investment readiness) and to facilitate connections with potential investors (investment facilitation). To date, we have mobilized an additional US$ 45 million from other investors.

Knowledge Services

With experience spanning over 10 years, there is a lot to share, and it is important for us to share the knowledge with the ecosystem, our donors, and partners.