

NIGERIA ENERGY TRANSITION CHALLENGE FUND (ETCF) PROGRAMME

PROGRAMME BRIEF

Frequently Asked Questions (FAQs)

1. What is the Nigeria Energy Transition Challenge Fund Programme?

The Nigeria Energy Transition Challenge Fund (ETCF) is a €20 million programme funded by BMZ via KfW and implemented by AECF to accelerate Nigeria's shift to clean energy in households, businesses, and public institutions. The programme aims to empower SMEs to contribute to Nigeria's energy transition ambitions and boost the productivity and resilience of key sectors and value chains.

2. What is the geographical scope of this programme?

The programme targets SMEs operating in Nigeria. It will focus on enterprises that are addressing energy access and energy efficiency challenges, especially in underserved and off-grid or weak-grid areas across Nigeria.

3. Who is eligible to apply?

For-profit companies that are:

- Legally registered and physically established in Nigeria.
- In continuous operation for at least two full accounting years at the time of application.
- Able to provide audited financial statements for the last two years.
- Actively engaged in the renewable energy market, including clean energy generation, energy efficiency, energy storage, productive use of energy, or clean cooking solutions.

International companies may apply if they have a locally registered subsidiary and can demonstrate operations in Nigeria.

4. How long will the programme run?

5 years (2025 – 2029): (Year 1: Programme Inception + Competition Phase, years 2-5: Implementation and Monitoring phase)

5. What are the ticket sizes?

Applicants can request grants between **EUR100,000 and EUR800,000**, depending on project scope, business capacity, matching funds availability, and projected impact.

6. What is the technology scope for this call?

The programme will support commercially viable clean energy and energy efficiency solutions, including but not limited to:

- Renewable energy generation (solar, wind, biomass, mini hydro)
- Energy storage solutions (batteries and hybrid systems)
- Energy-efficient appliances and equipment
- Clean cooking solutions (improved cookstoves, e-cooking, ethanol, biomass).
- Productive use of energy technologies (e.g., solar-powered agricultural processing, cold storage, milling, drying)
- Solar-powered micro/mini-grids for households and businesses.

7. Will the applicants be expected to contribute financially, and are there other forms of financial contribution recognized by the programme?

Applicants must provide matching funds equal to 100% of the requested grant amount, with at least 80% in cash and up to 20% in-kind.

- **Cash:** Cash in a bank or funding from a third party such as a financial institution, venture capital firm, impact investor, incubator/accelerator, mobile operator, foundation, or the founder/other shareholders. Evidence may include a signed MoU or contract, a bank statement, or a letter confirming the total amount disbursed or to be disbursed.
- **In-kind:** In-kind will include any significant and monetizable contribution to the project that is not financial. It should be quantifiable and demonstrate what results any contribution given 'in kind' will achieve for the proposed project.

8. What funding instruments will be used?

- **Results-Based Financing (RBF)** – For household energy access projects. Disbursements will be linked to verified results.
- **Milestone-Based Financing** – For commercial/industrial projects. Disbursements will be released once an investee achieves the agreed project milestones.

9. Are there any restrictions on how funds can be used?

Yes. Funds cannot be used for:

- Fossil fuel-based generation
- Any activities on the KfW and IFC exclusion list
- Activities causing significant environmental harm
- Debt repayment
- Unrelated working capital.

All procurement using ETCF funds must follow ETCF procurement guidelines to ensure transparency and value for money.

10. Is the funding a loan or a grant that I will need to pay back?

The programme will provide non-repayable grant funding to successful applicants. However, grantees must comply with all programme terms and conditions, including milestone delivery, reporting, and matching funds requirements.

11. How are applications evaluated? What is the selection process?

Applicants will be assessed against the eligibility and evaluation criteria outlined in the call's term sheet.

12. How can I apply for the grant?

Visit our website at [Africa Enterprise Challenge Fund \(AECF\) Application Manager](#) to submit your application. Only applications submitted through the portal will be considered.

13. Can I save and edit my application before submission?

Yes. Applicants can save drafts and return to complete them before the deadline. Once submitted, applications cannot be edited.

14. When is the application deadline?

The call will open at 12:00 pm WAT on (Nov 7th, 2025) 2025 and close on January 2nd, 2026. Late submissions will not be accepted.

15. How do I know if my application has been successfully received?

Complete applications submitted via the submission portal will receive an acknowledgement message confirming receipt.

16. Whom can I talk to if I require assistance with the grant application?

Send us an email at etcf-nigeria@aecfafrica.org

17. What will happen if I miss some/part of the documents required?

All mandatory documents will be marked “required”, and the application will not allow you to submit unless all the required fields are duly completed.

18. How will I know that my application is successful?

You will receive an email from etcf-nigeria@aecfafrica.org informing you that your application has been selected for the next stage of the funding process. The email will also outline the next steps. Unsuccessful applicants will also be informed **via the submission portal (Submittable)**.

19. Is it possible for a company to apply with several proposals?

No. Each company is allowed to submit only one proposal for consideration in this competition.

20. When will I receive funding if successful?

Funding is released after contract signing and upon achievement of agreed milestones.

21. What are the three funding windows?

- **Household Energy Access Window:** Supports private companies delivering clean energy and off-grid solutions for households and small businesses.
- **Commercial and Industrial (C&I) Window:** Supports renewable energy and efficiency investments for industries, agribusinesses, and commercial enterprises.
- **Public Institutions Window:** Supports renewable energy access for schools, health centres, and TVET institutions, while strengthening technical skills for Nigeria’s energy transition.

22. Can an applicant apply for more than one window?

No. Each applicant can apply for only one funding window to ensure focused implementation and effective resource allocation. Applicants must select the window that best aligns with their business model and proposed activities.

23. What kind of non-financial support will ETCF provide?

Technical Assistance (TA) includes business development support, environmental, social, and governance, community engagement, financial management, Impact monitoring and measurement, and others. The kind of support will be determined after the needs assessment has been completed.

24. How can small and growing companies meet the matching fund requirement?

ETCF recognizes that mobilizing matching funds can be challenging for smaller enterprises. To address this, the Fund will provide clear guidance on eligible co-financing sources and is engaging financial institutions to support businesses seeking to participate in the programme. **However, the ETCF is unable to provide assistance in securing matching funds or in contracting with companies that do not have the required matching funds.**

25. What opportunities exist for collaboration with other programmes or institutions already supporting Nigeria’s energy transition?

The Fund is designed to complement existing national and donor-led initiatives. ETCF will coordinate closely with the **donors** and other partners to ensure synergy, avoid duplication, and maximize collective impact.

26. How will ETCF work with financial institutions to improve access to affordable capital for clean energy businesses?

ETCF seeks to mobilize private capital through blended finance structures and partnerships with commercial banks and other financial institutions, thereby lowering financing costs and improving liquidity for renewable energy developers and entrepreneurs.

27. Can sister companies apply separately under the program?

Sister companies may apply separately; however, the ETCF will contract only one company within a group of related entities.