



2025-2029 **PROGRAM BRIEF**

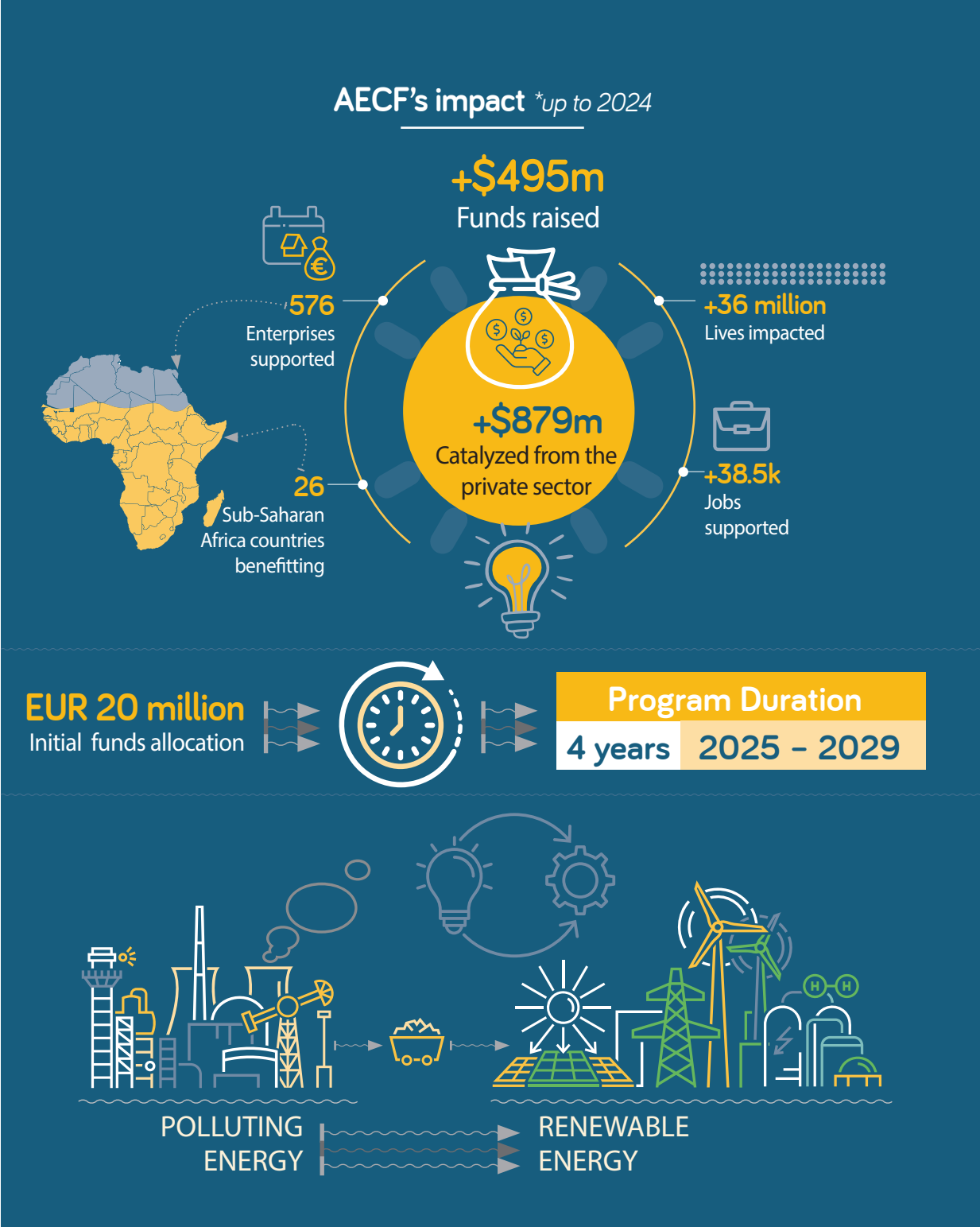
Energy Transition Challenge Fund - Nigeria

Introducing the Energy Transition Challenge Fund (ETCF) - Nigeria

The Energy Transition Challenge Fund (ETCF) - Nigeria is a four-year programme funded by Germany's Federal Ministry for Economic Cooperation and Development (BMZ) via KfW Development Bank (KfW) and implemented by AECF. With an initial allocation of EUR 20 million, the programme supports Nigeria's Energy Transition Plan, which outlines pathways for transitioning the power, industry, clean cooking technologies, and transport sectors.

The programme responds to Nigeria's Energy Transition Plan, which requires an estimated USD 500 billion in incremental funding by 2060. By leveraging catalytic grants and blended finance, ETCF is designed to de-risk private sector investments, crowd in commercial capital, and accelerate the transition in the energy sector in an environmentally sustainable and socially responsible way.

The ETCF programme is implemented by Africa Enterprise Challenge Fund (AECF), a leading non-profit development organization that supports innovative enterprises in the agribusiness and renewable energy sectors with the aim of reducing rural poverty, promoting resilient communities, and creating jobs.



Programme Goal and Objectives

The ETCF programme seeks to empower SMEs to contribute to Nigeria's Energy transition ambitions and boost the productivity and resilience of key sectors and value chains. Specific objectives include:



Increasing household access to modern, affordable, and sustainable energy solutions by supporting the transition from traditional fuels to clean and efficient technologies.



Accelerating the energy transition in the commercial, industrial, and agribusiness sectors by promoting investments in clean, efficient, and cost-effective energy solutions that contribute to climate goals.



Powering public institutions with sustainable energy solutions and strengthening the skills and competencies needed for the energy transition through targeted investments in Technical and Vocational Education and Training (TVET) institutions.



Geographical Focus



Nationwide implementation with emphasis on 'peri-urban' and 'rural areas'.

The programme is being implemented across Nigeria, with beneficiaries drawn from all regions of the country. While nationwide in scope, the programme places particular emphasis on peri-urban and rural areas, where energy access challenges are most acute.

Programme Approach



The programme uses a challenge fund model to competitively select and support investees with innovative, high-impact solutions, ensuring fair and equal access to funding.



Funding Opportunities

The ETCF programme provides three windows of funding opportunities:



WINDOW 1: Household Energy Access Window

This window targets private sector companies that distribute renewable energy solutions for households and small businesses in rural and peri-urban areas, including clean cooking and off-grid technologies for productive use.



WINDOW 2: Commercial and Industrial Window

The window targets private sector companies investing in renewable energy systems for use in commercial, industrial, and agribusiness use in Nigeria with a focus on improving productivity, reducing fossil fuel use, and advancing climate goals.



Minimum fund award
€100,000



Maximum fund award
€800,000



Duration of agreement
Up to 36 months

Minimum fund award
€100,000



Maximum fund award
€800,000



Duration of agreement
12 to 24 months



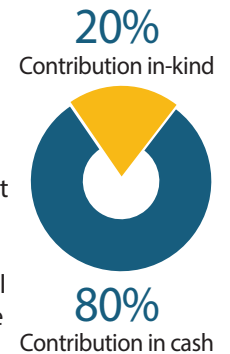
WINDOW 3: Public Institutions

This window will support public institutions (e.g., schools, health centres, local governments) to access clean, reliable energy and invest in Technical and Vocational Education and Training (TVET) to build skills for Nigeria's energy transition.

**More details on this window will be shared in the future.*

Matching Fund Requirement

Applicants must provide matching funds equivalent to AECF's contribution on a 1:1 basis. At least 80% of the applicant's contribution must be in cash, with in-kind contributions capped at 20%. AECF will discuss with the applicant how to best agree on the contribution, commitment and valuation.



Programme Support Mechanisms

Technical assistance (TA) will be available under this programme. This non-financial assistance will be provided as value-add services to the companies contracted under this program to maximise the quality of the project implementation outcomes, business sustainability, and impact.

Competition Process

- 01 Launch of the competition
- 02 Concept note submission.
- 03 Concept note shortlisting.
- 04 Business Plan Development
- 05 Business Plan Shortlisting
- 06 Grant Awarding
- 07 Contracting

Expected Impact:

The programme aims to:

- **Expand** clean energy access for households, businesses, and institutions.
- **Install** new renewable energy capacity and enable fuel switching.
- **Create** jobs, particularly for youth and women, while strengthening skills for the energy transition.
- **Contribute** to significant CO₂ emissions reductions in line with Nigeria's climate goals.