

ANNUAL  
REPORT

20  
24



# Shaping tomorrow, today.

AFRICA ENTERPRISE CHALLENGE FUND



TABLE OF  
Contents

Chairman’s Statement	04
CEO’s Reflections	06
About AECF	08
Our Programmes	14
Overview	16
Our Impact	20
Agribusiness	22
Climate and Energy	39
Crosscutting	53
Investment Advisory Services	58
Donors and partners	64
Governance	66
Financial	68



BOARD CHAIRMAN STATEMENT

## Scaling Impact. Deepening Roots.

**As we look to the future, AECF stands ready to take even bolder steps; to grow our capital base, strengthen our ecosystem of entrepreneurs, and scale the impact of our investments across the continent**

At AECF, we firmly believe that Africa's transformation will be driven by enterprise, fueled by innovation, and defined by lasting impact. Our mission is to realize this belief by building a bold and ambitious AECF —one

that mobilizes capital and delivers meaningful social and financial returns. We support Africa's entrepreneurs not only through funding but also through technical assistance and partnership, all in the belief that their ideas can spark large-scale

economic and social impact

The global development landscape is shifting. Official development assistance is expected to fall to less than half of previous levels. The world is moving from giving to enabling, from traditional aid to development finance. In this new reality, AECF is well-positioned. Rooted in private sector development, we de-risk investments and mobilize private finance to deliver impact at scale.

In 2024, significant advancements have been achieved towards this vision. We deployed \$11.5 million of grant capital, leveraging private capital up to 3.6 times. These investments created decent jobs, improving the lives of an additional 3.7 million people, bringing the cumulative total to 35.75 million.

This scale of outcomes is a strong validation of AECF's catalytic model. This model has proven to be of strategic value to the development agenda as we secured 39 million USD of new funding. This allows us to expand our climate finance portfolio, broaden our presence in West Africa and putting even more focus on empowering women and supporting youth

I am proud of the AECF team and leadership, whose innovation and commitment continue to set the standard for what an African-led and based institution can achieve. I am equally grateful to our partners and funders for their trust and collaboration in advancing this shared mission.

As we look to the future, AECF stands ready to take even bolder steps; to grow our capital base, strengthen our ecosystem of entrepreneurs, and scale the impact of our investments across the continent. We do so with renewed conviction that Africa's development story is still being written, and that AECF will be on the lead, catalyzing the enterprises that make that story real.

The foundations are solid, the trajectory is strong, and the momentum is building for a prosperous and enterprising Africa.

# 8.6X

Impact generated  
for every US \$1  
invested by AECF.

# 3.7M

African lives improved  
directly through  
AECF Activities

**Frank N. J. Braeken**  
BOARD CHAIRMAN





## CEO'S REFLECTIONS

## Delivering with Purpose. Building for the Future.

**The work of building enterprises for development is more urgent and complex than ever. In a world marked by fragility, constrained aid budgets, inflation shocks, and geopolitical shifts, 2024 reminded us why long-term impact must guide every short-term decision.**

The work of building enterprises for development is more urgent and complex than ever. In a world marked by fragility, constrained aid budgets, inflation shocks, and geopolitical shifts, 2024 reminded us why long-term impact must guide every short-term decision.

The AECF chose to meet this moment with conviction by deepening its commitment to private sector-led, market-based solutions, supporting an additional 66 businesses by the end of the year, bringing the total businesses supported to 576. In 2024, the lives of 3.7 million people improved,

bringing the cumulative total to 35.75 million under the current strategy. Behind these numbers are farmers increasing yields and incomes by 50%, women entrepreneurs breaking barriers, refugees building livelihoods, and families accessing affordable and cleaner energy, most for the first time. Our programmes are not just about enterprises; they are about rural and marginalized communities whose lives are transforming.

Every dollar deployed leveraged 3.6 times additional investment, showing the place of catalytic capital in unlocking private sector capital. These results affirm AECF's catalytic model.

The shifting global landscape, however, presents both challenge and opportunity. Official Development Assistance (ODA) is contracting sharply, expected to fall to less than half of previous levels, posing a real threat to the progress made toward inclusive and sustainable development. This disruption demands that the development sector evolve. The future of development must move beyond pure grants and humanitarian relief toward blended and catalytic finance that empowers local enterprises and builds self-sustaining economies. AECF has long championed this approach. Our model, anchored in private sector development, demonstrates that when we de-risk innovation and unlock private capital, we not only deliver impact, but we also advance sustainable development solutions. As development partners shift focus toward economic cooperation and enterprise-led growth, AECF stands ready to scale this model and serve as a trusted partner in this new era of sustainable development finance.

AECF's focus continues to be on de-risking early- and growth-stage businesses with potential for scale but that struggle to access capital from commercial financiers seeking traditional rates of return.

AECF Capital, our new vehicle, is a blended-finance platform designed to close persistent financial inclusion gaps for MSMEs and underserved populations while laying the foundation for a multi-sector impact investment platform. Within it is our Wholesale Lending Facility, which provides risk capital, partial guarantees, and technical assistance to strengthen Tier 2–3 microfinance institutions (MFIs) and fintechs that reach last-mile clients. Through flexible and catalytic instruments, AECF Capital will de-risk innovation, build creditworthiness, and crowd in private investment.

As we continue our path of growth to realise a prosperous, enterprising, and resilient Africa, we are grateful for the trust of our funding partners, which makes it possible to show that market-based solutions work even in the most difficult of contexts. Catalytic capital must be timely, bold, and designed for transition. Humanitarian responses have their place but must be accompanied by market-based approaches that retain value locally and build long-term resilience.

Every progress we make is out of the dedication of the AECF's staff across all offices. Their commitment to excellence and effective collaboration continues to drive our mission forward.

As the AECF enters the final year of its 2021–2025 strategy, it does so with clarity of purpose and growing momentum. With resilience, creativity, and stronger partnerships, we continue shaping a future where rural and marginalized communities thrive and Africa's development is driven from within.

**Victoria Sabula**  
CEO





## About AECF

POWERING AFRICA'S GROWTH  
THROUGH BUSINESS

THE AECF

## Impacting the lives of millions

At AECF, we unlock the power of the private sector to positively impact the lives of rural and marginalized communities across Africa. For nearly two decades, we have backed innovative, high-impact businesses in agribusiness, renewable energy and financial services sectors, empowering women, youth, small farm households, refugees, and communities in fragile contexts. The private sector is our engine for transforming economies and delivering lasting impact.

Since launching in 2008, AECF has become the continent's largest challenge fund, operating across 26 countries. As at the end of 2024, we have raised **US \$495 million** in catalytic capital, deployed \$250 million, and leveraged **US \$879 million** in additional capital to businesses supported - improving the lives of **35.75 million people**.

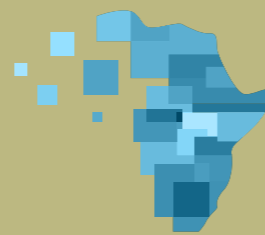
We made notable strides in 2024, marked by portfolio expansion through new programs and initiatives. In this period, we executed 9 competitions in 7 countries closing the year with 11 active programs in the portfolio, spanning 16 countries across Sub-Saharan Africa. We onboarded 66 additional businesses to our portfolio and delivered 263 technical assistance (TA) interventions. Through our investments facilitation work, supported some of our investees in raising \$19 million in follow-on capital.

### MISSION:

To catalyze private sector investment for the benefit of Africa's rural and marginalized communities.

### VISION:

A prosperous, enterprising, and resilient Africa.



## Our Approach

We bring our mission to life through four strategic pillars:



### Financing:

Deploy patient and supportive capital to address different market failures with ticket size segmentation.



### Advisory Services:

Improve SMEs' capabilities by providing fit-for-purpose technical advisory services and training.



### Investment Support:

Support businesses in raising commercial capital through investment readiness and facilitation.



### Knowledge Services:

Leverage our expansive and unique portfolio to develop insights that can influence market systems

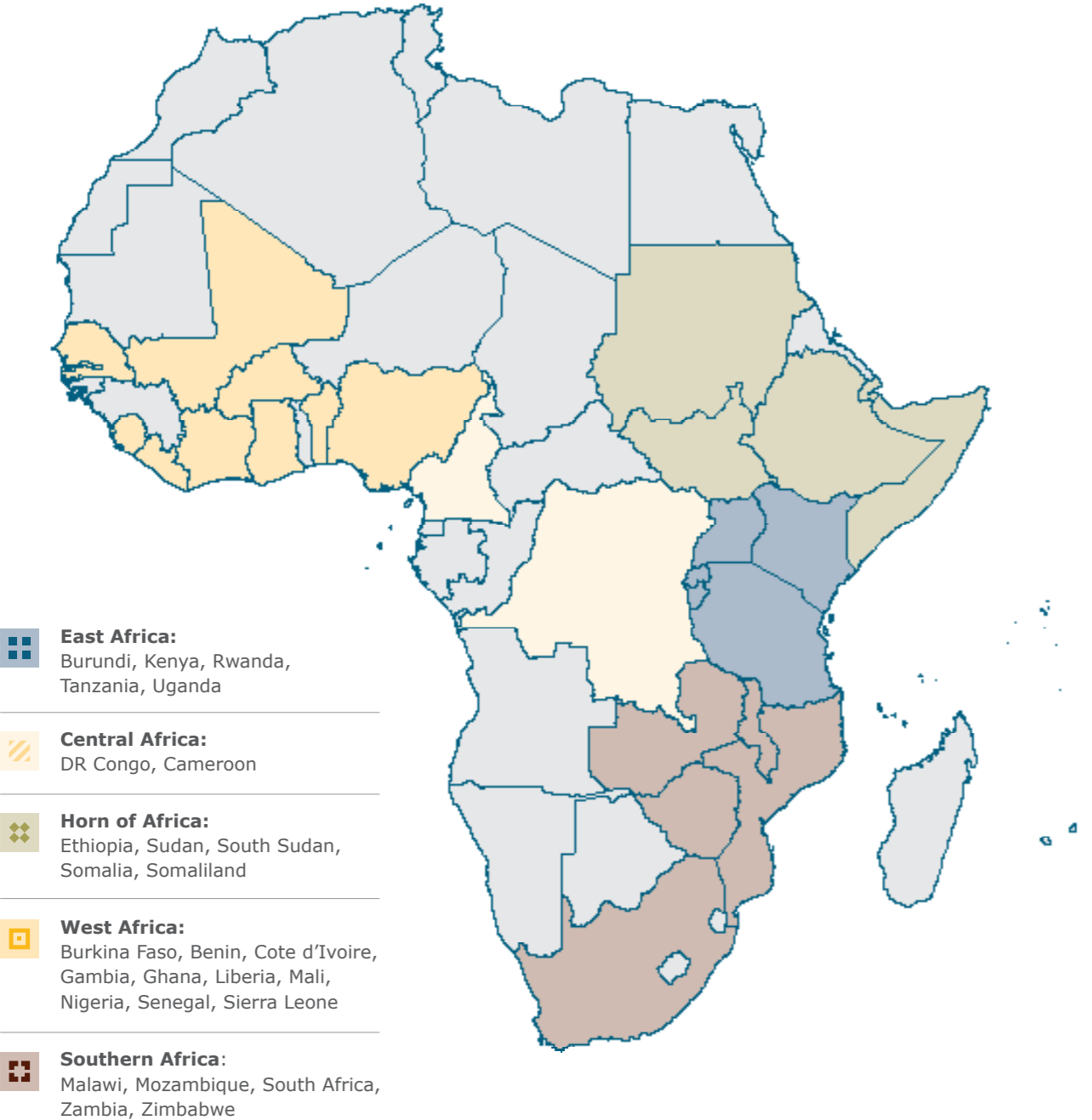


**Together, this integrated approach helps build resilient, inclusive businesses that thrive in tough markets.**

OUR FOOTPRINT

# Africa is in our DNA

AECF is rooted in Africa. We have worked across 26 countries, with regional hubs in Kenya, Tanzania, Côte d'Ivoire, South Sudan, Somalia, Nigeria, Benin, and Burkina Faso. We bring scale and depth, combining wide geographical reach with focused support for businesses to realize their potential hence positively impact communities



CATALYST FOR TRANSFORMATION

# We are shaping tomorrow

Together with our partners, we have achieved a return of \$8.6 in development impact for every dollar invested. AECF is more than a funder; it is a catalyst for transformation



By leveraging our unique portfolio, we help enterprises innovate, scale, and drive inclusive prosperity across the continent.



# Our Programmes

IMPLEMENTING SOLUTIONS  
TOWARDS LASTING CHANGE

## Overview

AECF's vision is to build a prosperous, enterprising, and resilient Africa by unlocking the potential of the private sector to positively impact the lives of rural and marginalized communities across Africa. We invest in the people and businesses, driving change in agriculture and renewable energy sectors with the potential to lift millions out of poverty, create jobs, and sustain livelihoods. Through catalytic finance, technical assistance, and private-sector partnerships, AECF bridges the gap between potential and prosperity, ensuring that rural communities are not just surviving climate and economic shocks but thriving despite them.

In agribusiness, we strengthen food systems for inclusive growth by empowering women and smallholder farmers, the backbone of Africa's food security. Our support enables enterprises that deliver climate-smart technologies, sustainable inputs, and stronger market linkages, helping farmers raise productivity, reduce losses, and increase incomes. AECF drives lasting impact

at both the household and community level, transforming agriculture into a resilient engine of growth and opportunity. In renewable energy, we accelerate access to affordable, clean power for households and small businesses, unlocking productivity, improving health outcomes, and enhancing resilience to climate change. Our investments support companies deploying solar home systems, clean cookstoves, and innovative business models such as Pay-As-You-Go and carbon credit financing. These solutions not only reduce emissions and deforestation but also enable rural communities to participate in and benefit from the green economy.

Our work in these sectors represents a single, powerful ambition: to catalyze inclusive, market-led transformation across Africa. By empowering entrepreneurs, advancing gender equity, and scaling climate-smart innovations, AECF is building the foundations for a continent where enterprise thrives, opportunity is shared, and sustainable prosperity is within reach for all.

## Impact areas

Our programmes focus on transforming Africa's rural and marginalized communities through:

1

### Agribusiness

Agribusiness: Building sustainable, resilient agribusinesses that drive productivity, strengthen food systems, and improve community well-being.



2

### Climate and Energy

Expanding access to renewable energy solutions that reduce rural poverty, promote health, and unlock new economic opportunities.



3

### Access to finance

Opening pathways for excluded communities to grow businesses, access credit, and build their livelihoods.



“ We rebuild livelihoods and restore hope through access to finance. Opening pathways for excluded communities to grow businesses, access credit, and build their livelihoods. ”



## Our Cross-cutting Themes



### Fragility

AECF invests where other investors fear to go. Working in difficult places is in our DNA. Across the continent, 2024 unfolded against a backdrop of economic strain, climate shocks, and political uncertainty in some countries. Communities in fragile states endured rising living costs, disrupted trade, and weakened public institutions. Yet, even in the face of these challenges, our commitment is unwavering. We continue to support entrepreneurs and small businesses, helping them rebuild their futures by driving inclusive growth through targeted investments and tailored support.



### Gender

Structural inequities create barriers for women to access education, markets, employment, and sustainable livelihoods. The system undervalues their contributions, leading to inefficiencies and negative community impacts. AECF’s commitment to gender equality goes beyond redressing imbalances; it seeks to unlock the full potential of both women and men in driving rural prosperity. By addressing market failures that overlook women’s participation and leadership, AECF leverages gender analysis to identify risks, value contributions, and uncover opportunities within enterprises, value chains, and markets.



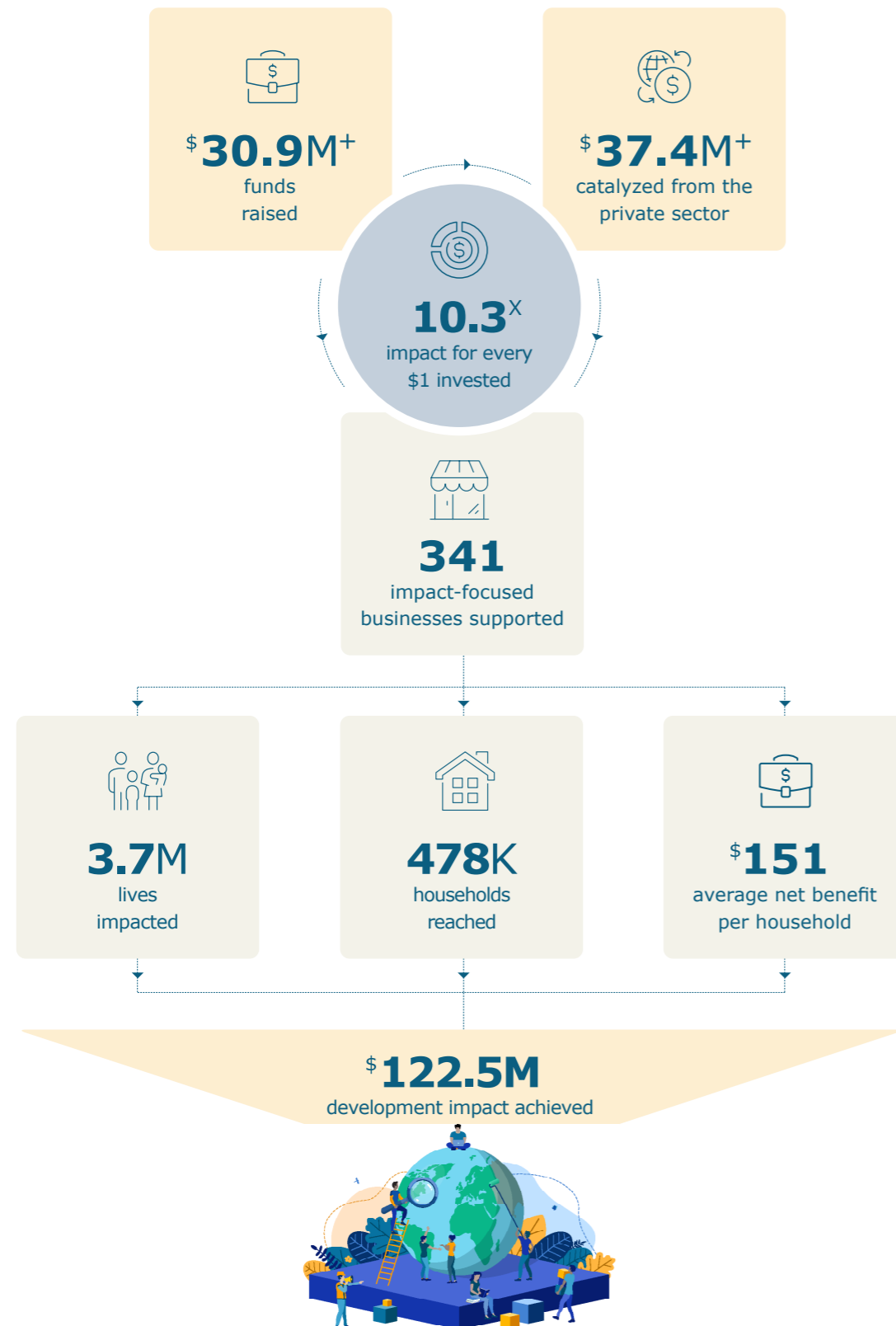
### Youth

We support youth entrepreneurship and employment by providing access to finance, capacity building, and market linkages in sectors including agribusiness, renewable energy, and financial inclusion. Programmes like Finance for Inclusive Growth in Somalia (FIG-Somalia) provide credit to young entrepreneurs, while broader initiatives such as our flagship Investing in Women (IIW) initiative also supports youth engagement in agribusiness and renewable energy, aligning with the organization’s mission of inclusive economic growth and sustainable development.

## OUR IMPACT IN 2024

## Real change through our initiatives

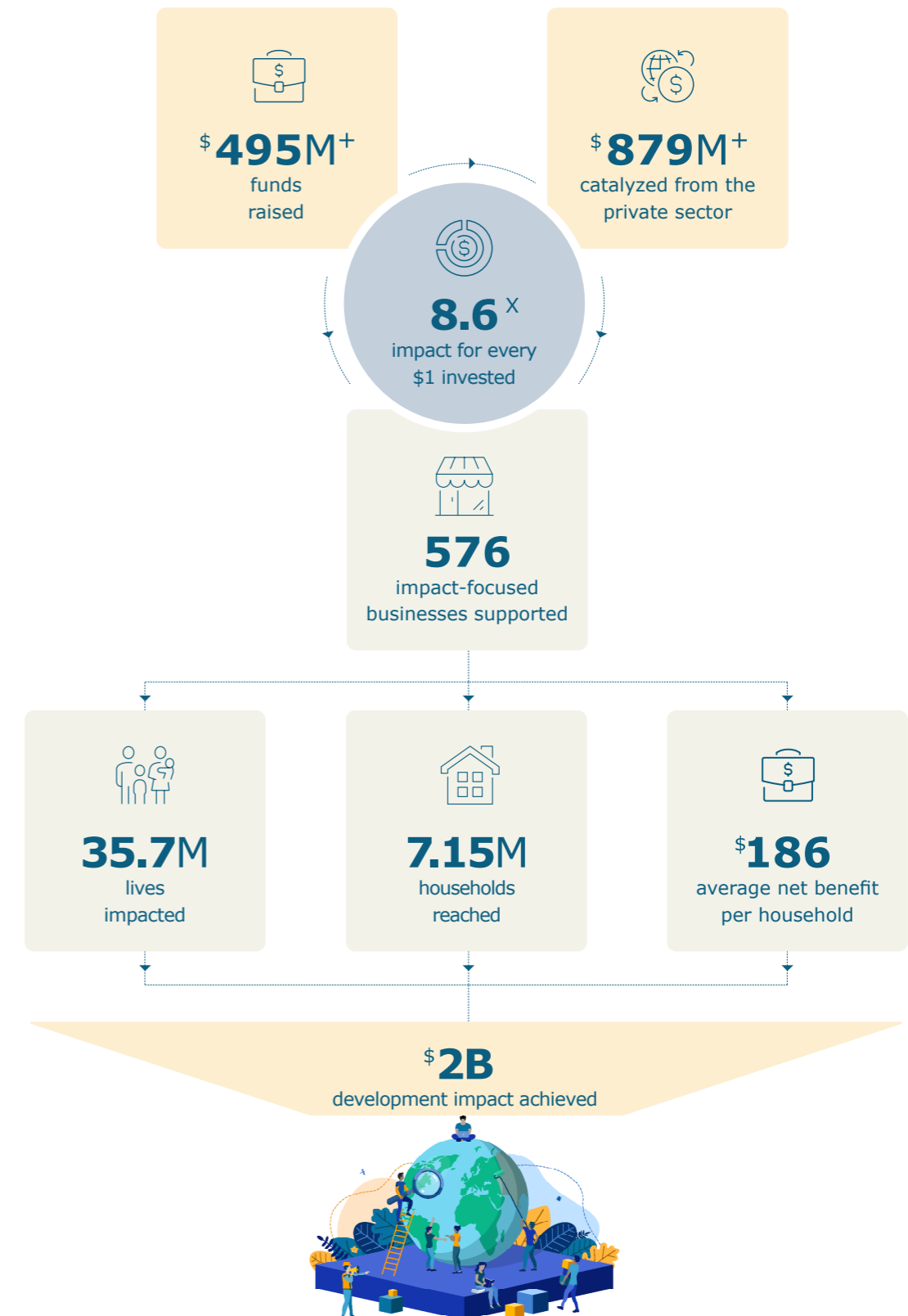
In a world marked by fragility, constrained aid budgets, inflation shocks, and geopolitical shifts, 2024 reminded us why long-term impact must guide every short-term decision.



## OUR CUMMILATIVE IMPACT

## Real change through our initiatives

In a world marked by fragility, constrained aid budgets, inflation shocks, and geopolitical shifts, 2024 reminded us why long-term impact must guide every short-term decision.



# AGRIBUSINESS

*Strengthening food systems for inclusive growth through empowering women and small-holder farmers.* The growth and vitality in the agribusiness portfolio are central to AECF's mission of transforming rural livelihoods by building resilient, sustainable enterprises. Agriculture employs 65% of Africa's workforce and contributes 32% of GDP, yet smallholder farmers, particularly women, continue to face low yields, limited market access, and vulnerability to climate shocks.

The AECF addresses these challenges by catalyzing private sector innovation and providing blended finance and technical assistance to enterprises that deliver climate-smart seeds, sustainable inputs, and improved market linkages. By prioritizing women's economic empowerment, we ensure that women farmers and entrepreneurs gain access to resources and opportunities that will enhance household incomes and strengthen community resilience.

Our approach fuels value addition, job creation, and food security, while reducing post-harvest losses and empowering the next generation. Together, these efforts are unlocking agribusiness as a driver of inclusive growth and wellbeing across Africa.

The AECF currently manages an agribusiness portfolio of US\$62 million, implemented in nine countries. Our portfolio is anchored in the following key thematic areas.

**Investing in Women (IIW):** a US\$40 million Global Affairs Canada-funded program aimed at catalyzing women agribusiness entrepreneurs through repayable and non-repayable grants in Kenya, South Sudan, Benin/Burkina Faso, and Nigeria.


**Seed for Impact (SIP):** a US\$4.5 million SIDA-funded programme aimed at catalysing the production and distribution of climate-resilient and nutritious seeds in Tanzania.

**Sudan Catalyser;** a US\$13.6 million KfW-funded programme whose objective is to catalyse businesses in Sudan as they recover from internal war.

**Finance for Inclusive Growth (FIG);** a US\$4.9 million EU-funded programme comprising a revolving grant whose objective is to catalyse MFIs to develop gender sensitive products to drive growth in productive sectors of the economy in Somalia.

The initiatives are at various stages of implementation.

Households  
impacted

  
**129,453**


Lives  
impacted

  
**657,025**


Jobs  
created

  
**2,012**

Development  
impact

  
**USD\$47.8M**

Total net  
benefit

  
**USD\$45.3M**



## Investing in Women

### Unlocking women's potential in agribusiness and climate-related sectors

Investing in Women (IIW) is AECF's flagship initiative that seeks to empower Africa's women by financing women-owned/led businesses with catalytic capital and shifting gender norms. Investing in Women (IIW) means stronger enterprises, improved incomes, and greater resilience. For communities, it translates into more inclusive growth, better food security, and sustainable development driven by women's leadership.

The Investing in Women (IIW) programs, supported by Global Affairs Canada (GAC), drive women's economic empowerment by addressing structural barriers to finance, markets, and resources. Across Africa, women in agribusiness and climate-related sectors often struggle to access capital or participate fully in decision-making, leaving their potential untapped.

IIW tackles these challenges by providing catalytic grants, technical assistance, and gender advocacy to women-led enterprises, cooperatives, and groups in South Sudan, Kenya, Nigeria, Benin, and Burkina Faso. The program not only expands access to capital and markets but also challenges restrictive gender norms that limit women's economic participation. By equipping

women entrepreneurs with the tools to scale their businesses and influence, IIW is promoting inclusive growth and shifting the systems that hold women back.

### Women at the forefront of Africa's economic transformation

When the Investing in Women program reaches its full ambition, women across Kenya, Nigeria, South Sudan, Benin, and Burkina Faso will no longer be excluded from finance or markets but will stand at the forefront of Africa's economic transformation. Women-led enterprises will thrive in agribusiness, renewable energy, and climate-smart sectors, scaling farms and fisheries, securing offtake markets, and attracting capital once out of reach. In fragile contexts, women entrepreneurs will be repaying loans and sustaining jobs, while cooperatives drive resilience and growth. Norms will have shifted as women are recognized as leaders, governments champion gender equality, and communities value women as decision-makers. Thousands of women will be earning more, employing neighbors, feeding families, and lifting others as they grow. IIW will have proven that when women thrive, markets are redefined, households are strengthened, and opportunity is no longer determined by gender.



## The woman making fish farming work for women in Kenya's Lake Victoria region



At Utonga beach, Siaya County, Kenya, **Mathilda Amolo** is breaking the cycle of exploitation in the fishing industry. After witnessing the “Jaboya” culture, where women were forced to trade sex for fish, she left her office job, mobilized six women, and set up a fish cage.

With time, she built **Great Lakes Fish Feeds Ltd** into a vertically integrated business, producing feed and fingerlings, sourcing inputs from women farmers, and supplying four counties in the Lake Victoria region. High costs and poor-quality

inputs once stalled progress, but Mathilda responded with innovation and resilience.

In 2022, AECF's **Investing in Women in the Blue Economy programme** helped modernize her operations, impacting more than **1,200 women in 60 groups**, creating youth jobs, and making aquaculture accessible to women.

**Her goal is clear:** *to expand across Lake Victoria's 1,600 beaches and secure women's place as equal players in Kenya's blue economy.*

### Today's Impact



#### SOUTH SUDAN

Supporting women smallholder farmers in fragile agricultural value chains by responding to the continuing poverty, food insecurity, and climate vulnerability.

12,530



4,902



149

##### Smallholder Farmers

(84% women)  
engaged in programme-supported agricultural value chains.

##### Farmers (76% women)

adopted at least one gender-responsive, climate-smart practice, including improved seeds, soil and water conservation, and crop diversification.

##### Jobs created

with women  
accounting for 50%.

#### NIGERIA

Driving systemic gender inclusion in agribusiness through gender champions and large-scale women-led enterprises.

32



USD\$3M



Gender Champions

**Public sector gender champions** recruited and trained, now driving gender mainstreaming across their ministries, departments, and agencies.

Sagad Farms secured **USD 3 million** in additional funding and expanded their model with 5,000 hectares of farmland.

**The initiative** is now owned by the State Government, ensuring commitment and long-term sustainability.



KENYA

Enhancing women’s economic empowerment by promoting their participation in the traditional and nontraditional sectors of the blue economy by increasing access to credit, enabling market linkages, supply of inputs, products and services along the value chain and creating employment.

CAD\$662K

Leveraged from private financial institutions to expand women’s access to finance.

+

1,302

Women entrepreneurs and employees reached with programme support.

+

644

New jobs created, with women representing 65%.

What is Innovative about IIW?

- Women entrepreneurs are accessing affordable, climate-smart financing that allows them to invest, grow, and lead. From rice farmers adopting SRI to young women running greenhouses, solar dryers, and milk collection centers, practical innovations are boosting productivity, cutting losses, and demonstrating women’s commercial potential.
- As women gain better assets and stronger market access, they are moving up the value chain and competing with confidence. Communities are shifting too: men increasingly recognize women as equal partners, helping to dismantle barriers that once held them back and opening space for women’s leadership in agribusiness and beyond.
- Around them, governments, financial institutions, and private sector actors are stepping up with supportive policies, responsive financing, and open supply chains. This systemic change is embedding women’s participation at every level, creating an enabling environment where women-owned businesses can thrive, expand, and build more resilient local economies.

Learnings

- 1

Cultural and gender norms remain a barrier. Despite regional differences, women and young women are still largely confined to household and caregiving roles, limiting their participation in economic and agricultural activities.
- 2

Direct financing to women-led SMEs and cooperatives, coupled with business advisory and capacity-building, has created employment, supported climate-smart agriculture, and opened access to markets for women.
- 3

Inclusive and flexible programme design strengthens impact. Accepting applications beyond priority value chains, extending deadlines, and providing awareness sessions and technical assistance has improved the quality and inclusivity of applications, ensuring more women benefit.
- 4

Context-specific approaches are essential in fragile settings. Standard business assessments often fail in volatile environments. Tailored evaluation methods, full funding for essential equipment, and investee-led capacity-building have proven more effective in ensuring sustainability and resilience. women.

Highlights, hurdles, and insights

Across countries

Women are still largely confined to caregiving roles, but when their cooperatives and SMEs gain financing and tailored support, they generate jobs, adopt climate-smart practices, and access new markets.

Flexibility has been crucial—accepting applications beyond priority value chains, extending deadlines, and offering guidance sessions improved submissions and widened women’s participation. Strong outreach, from media campaigns to webinars with hundreds of participants, expanded the programme’s reach to thousands of enterprises.

In fragile contexts, traditional business assessments fall short. By adapting evaluations, fully funding critical equipment, and collaborating with local partners to train farmers, the programme has found practical ways to build resilience and achieve lasting impact.

KENYA



Highlight:	Women-owned enterprises are scaling aquaculture and seafood ventures with business training and seed funding.
Hurdle:	Limited access to affordable equipment like cold storage and dryers constrains the growth of businesses.
Insight:	Pairing finance with technical assistance unlocks value chains where women are already active but overlooked.

NIGERIA



Highlight:	Women-led agribusinesses are tapping into new finance models through the SME Investment Window.
Hurdle:	Deep-rooted gender biases in land ownership and collateral requirements are a roadblock to the expansion of women-owned businesses.
Insight:	De-risking grants shift financial institutions’ perception of women entrepreneurs from “high-risk” to “viable borrowers.”



SOUTH SUDAN

Highlight:	Women producers are now accessing credit through partnerships with microfinance institutions.
Hurdle:	Persistent insecurity, weak infrastructure, and limited access to formal financial institutions constrain women’s participation in markets and hinder the development of sustainable enterprises. Also, political instability and displacement disrupt business continuity.
Insight:	Coupling finance with capacity building helps women sustain enterprises despite fragility.

BENIN & BURKINA FASO

Highlight:	Women entrepreneurs are greening production in agribusiness and renewable energy with programme support.
Hurdle:	Rural women face steep barriers to markets and climate-smart technologies. Gender norms and limited access to business development services reduce women’s opportunities to transition from subsistence activities to profitable, growth-oriented ventures.
Insight:	Policies co-created with women entrepreneurs anchor climate action in local realities.

Early days in Benin and Burkina Faso

In 2024, the **Investing in Women’s Entrepreneurship for a Greener Economy (IIW-B&BF)** programme built its foundation for scale. Three funding windows drew **209 applications**, with early selections including financial institutions PEBCO, RENACA, and CODEC-OUAGA, alongside SMEs such as Veto Plus. Approved funds of **CAD 2 million**, matched by over **CAD 3 million in co-financing**, are creating pipeline across agriculture, processing, and trade expected to **90,000 people**. Early results include new financial access for **direct jobs**, and **211 jobs through Veto Plus**, alongside the indirect livelihoods. With portfolios now established, the programme to expand finance, climate-smart solutions, and women’s leadership in 2025.



Seeds for Impact

Scaling climate-resilient seed systems for Africa’s smallholder farmers

The Seeds for Impact (SIP) programme, funded by AGRA, the Syngenta Foundation for Sustainable Agriculture (SFSA), and Sida, tackles the barriers smallholder farmers face in accessing affordable, high-quality, climate-resilient seeds.

Across sub-Saharan Africa, limited availability of improved seed varieties keeps yields low and exposes households to food insecurity and climate risks. SIP supports local seed companies with catalytic funding and technical assistance to expand production, strengthen quality control, and improve distribution systems. By increasing the supply of climate-smart and nutrient-dense crops, the programme enables farmers to boost productivity, improve nutrition, and build resilience for the future.

Unlocking Africa’s Future Harvests through Climate-Resilient Seeds

When the Seeds for Impact Programme reaches its full potential, Africa’s smallholder farmers will no longer be limited by poor-quality seed and low yields. Instead, millions of rural households will have affordable access to high-quality, climate-resilient crop varieties—tailored to local conditions and capable of withstanding droughts, pests, and shifting seasons.

Small seed companies, once constrained by finance and technical barriers, will have grown into thriving enterprises with the capacity to produce, assure, and distribute seeds at scale. Publicly bred varieties will have moved from research stations into farmers’ fields, transforming productivity and food security across sub-Saharan Africa. With stronger businesses, robust distribution systems, and sustainable seed supply chains, the programme will have unlocked a new era where African farmers, especially women and youth, cultivate not just their fields but also resilience, prosperity, and hope for the generations to come.



## Today's Impact



- ▣ In 2024, the Seeds for Impact programme showed that job creation in seed systems goes far beyond income. Employment opportunities offered by investees are equipping people with skills, opening career pathways, and providing access to social protection—especially valuable in rural areas where formal jobs are scarce.
- ▣ A deliberate strategy to increase women's participation in the formal seed economy is broadening inclusion and leadership.
- ▣ Investees are strengthening the wider ecosystem by supporting SMEs through outgrower schemes, input distribution, and service provision. These partnerships diversify rural incomes, stimulate enterprise growth, and build resilience. As a result, seed production has scaled, markets expanded, and new funding mobilized, laying the foundation for long-term sector transformation.
- ▣ In 2024, the programme provided **US\$1.7 million in initial funding** for four companies, plus an additional **US\$1.2 million** for expansion and crop diversification. Funding ranged from **US\$100,000** to **US\$500,000**, with investees contributing matching funds at a 75:25 ratio.
- ▣ Through these investments, **57,680 farmers** were reached, access to climate-resilient seeds expanded in underserved regions, and **over 192 jobs** created.
- ▣ This included **65 full-time positions** (44 men and 21 women), reflecting growing gender inclusion in the formal seed sector.
- ▣ Co-investments of **US\$270,156** demonstrated investees' ownership and commitment to sustainability, while intentional support for women in decision-making began shifting influence in a traditionally male-dominated seed sector.

## Innovative aspects



### Co-funding model:

A core feature of SIP is its matching fund mechanism, requiring investees to contribute alongside AECF support. These funds are used to procure seed processing equipment, finance outgrower operations, and strengthen production. By investing their own capital, companies build financial resilience, stronger capacity, and long-term ownership, reducing donor dependency and enabling sustainable growth.



### Diversifying crop varieties:

SIP goes beyond staple cereals by promoting climate-resilient and nutrient-dense crops such as legumes, sorghum, millet, and biofortified varieties. This innovation improves yields, enhances household nutrition, and strengthens resilience to climate shocks, marking a significant departure from traditional seed investment models.



### Bridging research and markets:

SIP goes beyond staple cereals by promoting climate-resilient and nutrient-dense crops such as legumes, sorghum, millet, and biofortified varieties. This innovation improves yields, enhances household nutrition, and strengthens resilience to climate shocks, marking a significant departure from traditional seed investment models.

## Learnings

- 1 Co-investment is one of the core operational principles of SIP, ensuring investees commit their own resources alongside donor funds. These contributions reflect the investees' commitment to sustainability and ownership of their business growth.
- 2 Matching funds were used for procuring seed processing equipment, financing outgrower operations, and supporting seed production activities – strengthening investees' financial resilience and operational capacity beyond donor reliance.
- 3 The programme's focus on outgrower schemes, input distributors, and service providers has positively influenced local enterprise development, contributing to income diversification and rural economic growth.

Highlights, hurdles, and insights

Highlight:	<ul style="list-style-type: none"><li>▣ The Seed for Impact Programme has recorded meaningful progress to address key challenges within Tanzania’s seed sector by:<ul style="list-style-type: none"><li>❖ Catalyzing private sector participation</li><li>❖ Improving the seed system infrastructures</li><li>❖ Enhancing access to climate-resilient seed varieties for smallholder farmers</li></ul></li><li>▣ The programme’s strategy of combining grant funding with targeted technical assistance has proven effective in strengthening the operational capacity and governance structures of participating enterprises.</li></ul>
Hurdle:	<ul style="list-style-type: none"><li>▣ Smallholder farmers play a vital role in the country’s agricultural sector and food but often face limited access to high-quality seeds that are adapted to gains and adapt to the challenges posed by climate change.</li></ul>
Insights:	<ul style="list-style-type: none"><li>▣ Gender inclusion across employment and leadership roles demonstrated how SIP supports pathways for women to influence decision-making in the seed sector, a critical move for transforming traditionally male-dominated agricultural value chains.</li><li>▣ The companies under SIP have reached 57,680 farmers, expanding access to climate-resilient seeds in underserved regions and empowering rural communities to build stronger, more sustainable livelihoods.</li></ul>

The programme will continue fostering partnerships, scaling outreach in remote regions, and embedding sustainability practices within investee companies, ensuring lasting benefits for smallholder farmers and the national seed system.

As the programme enters its final implementation year, focus will shift to consolidating achievements, ensuring the timely disbursement of remaining funds, and monitoring outcomes.



FINANCE FOR INCLUSIVE GROWTH IN SOMALIA (FIG-SOMALIA)

Enabling women and youth entrepreneurs to secure credit

Expanding financial access for women, youth, and marginalized communities

The Finance for Inclusive Growth in Somalia (FIG-Somalia) programme, implemented by AECF through MFI partners, aims to break down barriers that prevent women, youth, and marginalized groups from accessing formal finance. In Somalia, poor financial literacy, weak business practices, and limited lending to higher-risk segments have long excluded these communities from economic opportunity.

FIG Somalia addresses these challenges by working with banks and microfinance institutions, providing concessional capital, guarantees, and capacity-building support. By expanding access to credit and strengthening financial skills, the programme enables entrepreneurs to grow businesses, create jobs, and build household resilience, laying the foundation for broad-based and inclusive economic growth.

Shaping tomorrow

When the Finance for Inclusive Growth programme in Somalia achieves its full potential, women, youth, and marginalized communities will no longer be excluded from financial systems but will be active drivers of the country’s economic renewal.

Financial institutions, once reluctant to engage with high-risk segments, will have broadened their portfolios through concessional capital, guarantees, and tailored products, creating space for thousands of new entrepreneurs. Improved financial literacy, stronger business practices, and inclusive lending will fuel livelihoods, expand job creation, and strengthen resilience. What was once an economy constrained by exclusion will have been revitalized, built on inclusive growth, opportunity, and dignity for Somali households and producers.

## How access to credit is helping farmers prosper and feed communities

In Somaliland's Gabiley region, Ahmed Warsame Farah grows vegetables and fruits but struggles as erratic rains and fuel costs make irrigation unsustainable.

Through FIG Somalia, partner MFI MicroDahab extended him a loan, enabling him to install solar panels to power his water pump. The switch reduced expenses and improved irrigation reliability, increasing his profit margins by 40 percent.

Ahmed now earns up to USD 1,200 a month, sells to local markets, and has hired two additional workers — one for the farm and another for transport — expanding both his livelihood and community employment. His story shows how access to finance can turn vulnerability into resilience and prosperity.



### Today's Impact



- ▣ FIG Somalia is actively catalyzing microfinance institutions to design gender-sensitive financial products that unlock access to credit for women, youth, and producer groups, enabling them to invest in productive sectors of the Somali economy.
- ▣ The programme is currently revitalizing and expanding the local economy by enhancing livelihoods, creating jobs, and fostering broad-based, inclusive growth that strengthens resilience for marginalized communities
  - ✦ **662 microenterprises supported**, with **63% women-owned**, through disbursements of **USD 618,399** via partner MFIs to target groups.
  - ✦ **Four new MFIs onboarded**, expanding programme reach and expected to support an additional **8,000 MSMEs** across Somalia.



Innovative aspects on FIG



FIG Somalia is pioneering collaboration with complementary initiatives, such as the USAID- and FCDO-funded Inclusive Resilience in Somalia (IRiS) project. Together, they are expanding the reach of MFIs into rural and remote areas by adapting agency banking models and leveraging financial technology, ensuring marginalized communities gain access to essential financial services.

Learnings

- 1

**The Programme Guarantee Facility (PGF)** acted as a catalyst for partner Microfinance Institutions (MFIs), enabling them to confidently provide credit to target clients without fear of investment returns.
- 2

**Technical assistance** provided by the programme contributed to a remarkable absence of defaulters reported by the MFIs during the year under review.
- 3

**Uplifting the MFI staff capacity** significantly impacts loan approval turnaround time and reduces loan risks as staff become proficient in effectively screening loan applications and potential clients.
- 4

**The capital injection into Microfinance Institutions** through a revolving loan facility incentivized MFIs to expand lending to target groups, revealing they could lend beyond initial expectations. This points to a need for larger capital injections to reach more unbanked and underserved households.

Highlights, hurdles, and insights

Highlights	<div><div></div><div>FIG Somalia is strengthening collaboration with local authorities and government entities across federal member states and the Banadir region, ensuring stakeholder buy-in and effective programme implementation.</div></div> <div><div></div><div>FIG partner MFIs prefer returnable capital over grants, proving that Somali financial institutions can responsibly manage and repay loans, positioning them as reliable partners for expanding financial inclusion.</div></div>
Hurdles	<div><div></div><div>Gender mainstreaming in the management of MFIs in Somalia is a major challenge, although it also presents an opportunity for targeted gender advisory services.</div></div> <div><div></div><div>Despite the high demand for capital investment among target groups, MFIs face challenges in ensuring Sharia compliance when providing cash capital to clients, as it can culminate in prohibited interest-based transactions (Riba) and emphasize ethical and moral guidelines.</div></div>
Insights	<div><div></div><div>FIG Somalia has inspired MFIs to design new financing products and strengthened the sector through the Somali Microfinance Association (SOMMA). This has attracted donor and government support, expanding access to credit for women, youth, and producer groups across Somalia.</div></div> <div><div></div><div>Through the due diligence assessments, it has been observed that a substantial capacity deficit exists within the microfinance institutions, necessitating more tailored Technical Assistance to address gaps in institutional policies, guidelines, reports, financial healthiness, and staff capacity.</div></div>





## Sudan SME Catalyzer

### Opening pathways for excluded communities to grow businesses and thrive

Access to finance is transforming lives by enabling excluded households to grow businesses, secure credit, and build sustainable livelihoods. For women, youth, refugees, and rural entrepreneurs, it means the chance to generate income, send children to school, access clean energy, and strengthen resilience against shocks.

Yet in frontier markets and fragile contexts, high-risk businesses in remote areas often face limited infrastructure and little interest from mainstream finance institutions. Without support, these enterprises struggle to scale or attract commercial funding.

The AECF steps into this gap by channeling catalytic funds, revolving credit, guarantees, and capacity building that unlock opportunities for entrepreneurs. By supporting innovative business models and technologies, we help reduce rural poverty, increase agricultural productivity, expand access to clean energy, improve farmer incomes, create jobs, and cut greenhouse emissions. In doing so, finance becomes a catalyst for dignity, resilience, and renewed hope.

### Financing recovery for Sudan's small businesses

In 2024, we launched the Sudan SME Catalyser with an initial €12.5 million from the German Federal Ministry of Economic Cooperation and Development (BMZ) through KfW. The programme supports SMEs relocating from conflict-affected areas to safer regions, enabling them to re-establish operations, re-tool processes, and access new markets.

By providing grant finance and tailored business advisory services, the initiative focuses on enterprises in agriculture and renewable energy, strengthening their capacity to deliver essential products and services while generating income and employment opportunities for low-income households in Sudan.



## CLIMATE AND ENERGY

Access to clean energy is transforming rural Africa by reducing poverty, improving health, and opening new economic opportunities. Through renewable energy, small businesses are thriving, agricultural productivity is increasing, and communities are becoming more climate-resilient, building healthier, more inclusive communities.

For low-income households once dependent on wood or charcoal kerosene, clean energy brings both financial relief and better health outcomes. Solar systems, improved biomass cookstoves, and e-cooking technologies enable families to breathe cleaner air, save hours previously spent collecting firewood, and redirect household income toward food, education, and healthcare. These solutions also curb deforestation and reduce CO<sub>2</sub> emissions, contributing to a more sustainable environment.

Yet nearly 600 million people in sub-Saharan Africa still live without electricity, limiting their growth and resilience. The AECF partners with companies that leverage carbon credits and flexible payment options such as Pay-As-You-Go, reducing upfront costs and driving adoption of these life-changing technologies.

Our holistic approach ensures not just access, but empowerment—helping households adapt to climate shocks, reduce emissions, and build sustainable livelihoods.

Households reached

**618,655**

MSMEs supported

**26,355**

Jobs created & sustained

**2,152**

Clean energy installed

**14.2<sup>MW</sup>**

Emissions avoided

**395K<sup>tCO<sub>2</sub></sup>**

Mobilized capital

**USD\$32.9M**



## REACT SSA

Access to clean, affordable energy is transforming lives across sub-Saharan Africa. For households, it means breathing cleaner air, saving money, and redirecting income to food, education, and healthcare. Families gain back hours once spent collecting firewood, while smallholder farmers, women, and youth unlock new opportunities through productive use of energy that supports enterprises and livelihoods.

Yet nearly 600 million people in the region remain in energy poverty—relying on kerosene, firewood, or charcoal, with harmful effects on health, economic growth, and resilience.

The Renewable Energy and Adaptation to Climate Technologies (REACT SSA) programme, funded by the Swedish International Development Cooperation Agency (Sida), addresses this challenge by channeling critical finance and technical assistance to off-grid energy businesses. From solar home systems and clean cooking solutions to innovative financing and productive-use technologies, REACT SSA democratizes energy access, fosters climate resilience, reduces emissions, and drives inclusive growth across the region.

## Shaping tomorrow

When the Renewable Energy and Adaptation to Climate Technologies programme (REACT SSA) achieves its full ambition, millions of households across Africa will no longer be trapped in energy poverty but will power their lives and livelihoods with clean, affordable, and reliable energy. Families will cook without smoke, children will study after dark, and farmers will use solar irrigation, cold storage, and processing technologies to increase productivity and incomes.

In fragile contexts where insecurity and weak regulation once stifled progress, resilient business models and innovative financing such as PAYGo systems and community-based credit will have made energy access affordable and inclusive. Enterprises will thrive by diversifying their solutions, consumers will gain dignity and choice, and communities will be better equipped to face climate shocks. REACT SSA will have proven that renewable energy is not just about powering homes, but about unlocking opportunity, resilience, and lasting prosperity across sub-Saharan Africa.



## Scaling clean cooking for health and equality



In 2024, **Winifred Mathenge**, a mother of one, replaced her charcoal stove with a Burn electric induction stove. The change reduced smoke-related health risks, cut fuel costs, and freed up hours in her day, time she now invests in online courses to build new skills.

Her story mirrors thousands of households reached by **Burn Manufacturing**, which, with AECF support, has equipped **50,000 homes** with energy-efficient stoves. The

initiative has also created **76 jobs**, with women holding 42 percent of them, directly advancing gender equality and community health.









For Winifred, the stove has become a pathway to better health, economic prospects, and education. As Burn scales further into peri-urban and rural markets, the potential for healthier families, reduced carbon emissions, and women-led change grows even stronger.

Today's Impact



**This consolidated table shows the scale and breadth of AECF’s renewable energy impact:** from lighting homes and powering businesses, to reducing carbon emissions and mobilizing significant private sector investment.

The results achieved through REACT SSA demonstrate the transformative power of renewable energy. As of 2024, the program has directly and indirectly improved millions of lives:

Country	Households reached	MSMEs supported	Clean energy installed	Emissions avoided	Jobs created	Capital Mobilized (USD)	New Investment Facilitated (USD)
Kenya 	270,475	7083	1.63MW	408,105	4,200	-	-
Ethiopia 	59,012	-	0.49MW	6,411	230	\$3.84M	-
Mozambique 	95,685	125	0.2MW	65,917	543	\$3.27M	-
Mali 	38,220	2042	0.63MW	59,919	361	\$3.27M	\$7.38M
Burkina Faso 	39,272	1454	0.93MW	38,882	185	\$11.91M	-
Somalia 	31,785	6391	5.71MW	18,868	415	\$3.25M	\$8M
Zimbabwe 	48,831	5262	0.93MW	1,246	453	\$3.14M	\$2.61M
Liberia 	23,936	1659	0.27MW	1,358	167	\$2.61M	\$7.35M
Innovation Fund	2,212	641	0.29MW	4,101	307	-	-

These outcomes reflect a strong combination of social inclusion (notably women’s participation in jobs and household adoption), climate action, and rural economic empowerment.



Innovative aspects

Innovation has been at the heart of REACT SSA. Business models have evolved to address affordability and access:



PAYGo-enabled solar systems with remote switch-off



Barter systems where pastoralists exchange livestock for solar



Technology has advanced through IoT integration in cookstoves



Blockchain-enabled usage tracking & smart bundling of PUE assets  
*(cold storage, irrigation pumps)*



RBF, supplier credit, and hybrid models helped businesses scale

These approaches demonstrate AECF’s role in driving market adaptation in challenging environments.

Learnings

The implementation of REACT SSA across different geographies in Africa has generated valuable lessons that will inform the next phase of renewable energy programming:

- 1

**Consumer financing unlocks adoption:** Flexible models like PAYGo, instalments, and microfinance loans enable low-income households to afford solar and clean cooking technologies. In Ethiopia, MFI partnerships helped companies like Fosera and Modify Plc extend affordable credit, driving uptake.
- 2

**Local distribution networks build trust:** Agent-led models, toll-free hotlines, and reliable after-sales service build confidence among rural customers. In Liberia and Ethiopia, such networks increased customer loyalty, repeat sales, and positive word-of-mouth adoption.
- 3

**Diversification enhances resilience and growth:** Companies that expanded into new products and markets weathered shocks better. Nafa Naana diversified into clean cooking and carbon finance, while Oolu added smartphones, sustaining revenues despite instability.
- 4

**Policy advocacy shapes enabling environments:** Favorable fiscal and regulatory policies drive affordability and quality. Mini-grid tariff standardization in Burkina Faso and clean cooking incentives in Mali highlight advocacy’s role in ensuring sustainable energy markets.
- 5

**Inventory and supplier financing are transformative:** Supplier credit and working capital access help enterprises maintain stock and avoid disruptions. In Zimbabwe, companies like Goodbook and Natfort used supplier financing to sustain inventory and customer trust.
- 6

**Ecosystem approaches maximize PUE impact:** Productive-use technologies thrive when integrated into agricultural value chains. Solar irrigation and cold storage in Kenya and Somalia improved productivity, incomes, and repayment capacity, proving energy access works best in broader ecosystems.

# Results-Based Financing in Kenya

Kenya’s RBF scheme stands out as a flagship success. Eight companies, including Burn, Deevabits, Sistema Bio, KOKO Networks, Solar Panda, SunCulture, and BioLite, collectively exceeded their targets, with more than **270,000 households reached against a target of 123,711**. Significant impacts include over **400,000 tCO<sub>2</sub>** avoided and a surge in job creation. The model has proven that linking incentives to verified results accelerates clean energy adoption, ensures accountability, and unlocks economic benefits.

*Challenges remain, however, around policy instability and fluctuating carbon markets, underscoring the importance of continuous evidence-driven advocacy.*



## The Innovation Fund

The Innovation Fund has surfaced and scaled bold ideas, ranging from Burn’s redesigned Turbo Pro clean cookstove to Agsol’s IoT-enabled micro mills and Eride’s e-mobility solutions. With **2,212 households, 641 MSMEs, and 307 jobs impacted**, the fund has proven effective in validating product-market fit and helping innovators iterate.

*However, high upfront costs for PUE assets and product reliability issues highlight the need for patient capital and risk-sharing mechanisms to nurture early-stage innovation.*



## Highlights, hurdles, and insights

The REACT SSA program demonstrates that while renewable energy opportunities are abundant across Sub-Saharan Africa, each country presents unique contexts, challenges, and learnings that shape outcomes.

### Fragile and conflict-affected contexts

#### BURKINA FASO



Highlight:	Companies leveraged frequent power outages to accelerate solar adoption, diversifying into clean cooking and carbon finance.
Hurdle:	Security instability disrupted sales, marketing, and after-sales service.
Insight:	Geographic diversification and carbon credits help sustain growth in fragile states.

#### MALI



Highlight:	Favorable fiscal policies improved affordability, while supplier agreements secured product quality.
Hurdle:	Political crises and telecom gaps disrupted PAYGo for pumps.
Insight:	Policy incentives and strong supplier agreements build resilience, but diversification into safer regions is critical.

#### SOMALIA



Highlight:	Mini-grids lowered electricity tariffs; barter trade allowed pastoralists to pay with livestock.
Hurdle:	Weak regulation, monopolized markets, and limited financing restricted growth.
Insight:	Business model innovation and community participation are vital for sustaining access.

Innovation-driven markets

MOZAMBIQUE 

Highlight:	Blockchain-enabled cookstoves and carbon finance pilots pioneered new models.
Hurdle:	Post-election instability disrupted operations.
Insight:	Technology and carbon markets unlock value but require strong local networks to withstand volatility.

ETHIOPIA 

Highlight:	Strong agent networks and MFI partnerships expanded affordability and reach.
Hurdle:	Household affordability remains limited despite flexible models.
Insight:	Trusted agents and consumer finance dramatically increase adoption.

Fragile but emerging markets

LIBERIA 

Highlight:	Agent-led networks and flexible payments (PAYGo, Pay-As-You-Cook) enhanced reach.
Hurdle:	Fragile conditions, including weak infrastructure, limited market access, and economic instability, forced three companies to close.
Insight:	Linking agents to shop outlets improves customer access, but resilience needs stronger technical and financial support.



Tanzania Clean Cooking Project (TCCP)

Expanding access to clean cooking technologies to reduce energy poverty among rural and underserved communities

The Tanzania Clean Cooking Programme (TCCP), supported by the Swedish International Development Cooperation Agency (Sida), tackles the reliance on firewood and charcoal – fuels that harm health, drive deforestation, and limit household wellbeing. The programme is catalyzing private sector participation by providing catalytic and growth grants to small and growing businesses to expand access to clean cooking technologies for rural and underserved communities.

TCCP is supporting companies to expand their distribution networks, pilot innovative financing models, and raise awareness of clean cooking benefits—laying the foundation for a sustainable, market-driven transition to clean energy.

Shaping tomorrow

When the Tanzania Clean Cooking Project reaches its full potential, Tanzania will have a thriving market where clean cooking is no longer a privilege but an everyday reality. Small and growing businesses will have driven innovation, bringing affordable technologies like LPG, improved cookstoves, and e-cooking into even the most remote households. Flexible financing and community-based models such as VICOBA will have made access possible for the poorest families, ensuring sustained use and long-term impact. Private sector investment will have multiplied, supported by stronger coordination and a more enabling policy environment, embedding clean cooking as a national development priority.

What was once a sector marked by limited infrastructure, low penetration, and lack of awareness will have been transformed into a vibrant ecosystem—where households are healthier, communities more climate-resilient, and enterprises at the heart of Tanzania’s clean energy transition.



## TCCP BENEFICIARY STORY

## Clean cooking and better livelihoods for Mboga Mboga Group in Chamkoroma, Tanzania



In Chamkoroma village, Dodoma, ten members of Mboga Mboga Group faced a shared challenge beyond their vegetable plots. The women endured long hours cooking over smoky stoves, rising fuel costs, and frequent health problems.

The intervention of Tanzania Clean Cooking Project (TCCP) implemented by the AECF, has seen the group access LPG stoves on credit via TEMA General Traders' Kila Jiko Gesi initiative. With just \$5 upfront and affordable refills now sold within the village, LPG is accessible and cheaper than charcoal.

The change has been transformative. Cooking time dropped from over two hours to less than one; boosting the women's

farming business and raising daily group earnings from \$15 to \$22. Their health has improved too. *"I no longer suffer from constant headaches and coughs. I have even reduced spending on medicine,"* says member Zena Iddi.

Today, over 200 households in Chamkoroma use LPG, supported by new mini dealers who also earn additional income. Across Dodoma, TCCP has enabled the distribution of 10,000 LPG kits through 50 mini dealers, reaching over 40 villages.

For Mboga Mboga Group, cleaner cooking has freed time for its members, improved health, and strengthened livelihoods, showing how access to affordable energy solutions can spark community-wide growth.

### Today's Impact



- ▣ The Tanzania Clean Cooking Programme embeds gender and youth considerations across its implementation, creating meaningful economic opportunities along the clean cooking supply chain. By prioritizing women- and youth-led ownership and active participation in enterprises, the programme fosters financial independence, income generation, and stronger resilience for marginalized households.
- ▣ Households adopting clean cooking technologies are experiencing immediate improvements in health, reduced exposure to harmful smoke, and significant time savings otherwise spent collecting firewood—time that can now be redirected to education, farming, or income-generating activities.
- ▣ By strengthening local enterprises and supporting innovative distribution and financing models, the programme is expanding access to modern cooking solutions, reducing reliance on charcoal and firewood, and contributing to climate resilience through lower deforestation and CO<sub>2</sub> emissions.
  - ✦ In 2024, the programme committed a total of USD 1.685 million to support clean cooking enterprises, including USD 685,000 in new commitments and additional approvals for three companies by the AECF Investment Committee.
  - ✦ As of June 2024, USD 192,770 had been disbursed to three companies contracted in 2023, enabling them to expand operations and scale impact.
  - ✦ The programme has reached a cumulative 8,733 households, improving health, reducing fuel costs, and lowering exposure to harmful smoke.
  - ✦ 30 full-time jobs were created in marketing and production, providing stable employment opportunities that strengthen local economic development.
  - ✦ 255 new MSMEs were engaged as commission agents for distributing clean energy technologies, broadening market access, and building rural supply chains.





Innovative aspects



**Flexible financing models** are making clean cooking more accessible and affordable. Through instalment payments and women’s village community banking (VICOBA)s, households can make small down payments for LPG starter packs and refills. This not only expands adoption but also empowers women with financial independence in underserved regions.



**Adaptive grant design** is enhancing company capacity and accountability. By introducing flexible grant structures, realistic milestones, and stronger financial reporting, AECF is helping enterprises build resilience, strengthen investor confidence, and scale sustainable business models that can attract co-financing and reduce long-term donor reliance.



**Matched grant financing** supports both established and emerging clean cooking companies. With SEK 8.125 million available across two funding windows, the programme enables enterprises to expand household access, reach new geographies, and test innovative business models for institutions, ensuring a pipeline of scalable clean cooking solutions.

Learnings

- 1

**Village Community Banks (VICOBA)s:** Partnering with women-led groups has proven highly effective in rural areas. VICOBA)s enable members to finance LPG starter kits through instalments, with about 60% of rural LPG now accessed this way through companies like TEMA and AVAD.
- 2

**Behavior change is essential:** Deep-rooted cooking traditions make households reluctant to switch to new technologies. Education, awareness campaigns, and ongoing support addressing safety, cost, and availability are vital to ensure sustained adoption and regular use of LPG.
- 3

**Stakeholder engagement builds trust:** Active involvement of local leaders, communities, and government enhances acceptance, fosters local support, and ensures clean cooking solutions meet the needs of beneficiaries in rural and peri-urban areas.
- 4

**Private sector response remains low:** Initial calls attracted few eligible applicants, with many informal businesses unable to meet criteria. Risk aversion among SMEs highlights the need for stronger private sector engagement strategies.
- 5

**Timeframes are too short:** A three-year cycle leaves limited time for implementation after contracting and due diligence. Future programmes should allow longer periods to enable companies to execute activities and deliver sustainable impact.

Highlights, hurdles, and insights

Highlight:	<div><div>▣</div>Households are adopting LPG more consistently thanks to awareness campaigns that show the health, environmental, and cost benefits of clean cooking while addressing safety and affordability concerns.</div> <div><div>▣</div>Enterprises are building stronger financial capacity through AECF training and technical support that helps them overcome matching fund challenges and improve financial management</div>
Hurdle:	<div><div>▣</div>Behavior change remains a hurdle as some households resist altering traditional cooking habits, and even adopters struggle with consistent LPG use.</div> <div><div>▣</div>Weak rural infrastructure raises costs since impassable roads complicate supply chains; companies have responded by using mini-vans, tricycles, and motorcycles to extend distribution into hard-to-reach areas.</div>
Insight:	<div><div>▣</div><b>Policy shifts are creating new demand</b> as a government ban on firewood in institutions serving more than 100 people drives schools, hospitals, and food vendors to adopt cleaner energy solutions such as LPG and briquettes.</div> <div><div>▣</div><b>Partnerships strengthen advocacy</b> with TCCP collaborating with the Tanzania Renewable Energy Association (TAREA) to align efforts and amplify influence on the clean energy agenda.</div>



## Crosscutting Initiative

KAKUMA KALOBYEI CHALLENGE FUND (KKCF)

## Strengthening refugee and host communities' economies

### Unlocking enterprise potential in refugee and host communities

The Kakuma Kalobeyei Challenge Fund (KKCF), supported by the International Finance Corporation (IFC), is one of AECF's largest and most innovative programmes.

In Turkana County, north-west Kenya, both refugees and host communities face fragile markets, limited services, and scarce job opportunities, leaving many dependent on humanitarian aid. These challenges are tackled by channeling catalytic grants and business support to local enterprises, social ventures, and larger firms. By fostering entrepreneurship and expanding service delivery, the programme is driving job creation, building self-reliance, and strengthening household resilience. In doing so, KKCF contributes directly to inclusive growth, dignity, and stability in one of Kenya's most vulnerable regions.

### Transforming refugee and host communities from aid-dependence to thriving livelihoods and enterprises

When the Kakuma Kalobeyei Challenge Fund reaches its full ambition, the refugee and host communities of Turkana will have transformed from aid-dependent populations into thriving participants in a vibrant local economy.

Enterprises across agriculture, health, education, hospitality, fisheries, renewable energy, and financial services will be firmly established, generating jobs, delivering essential services, and creating opportunities where few existed before. Refugees, women, and youth will no longer be excluded but will stand at the center of their economic growth—building livelihoods, fostering resilience, and shaping the future of their communities. With an estimated market of over US\$56 million, Kakuma will demonstrate that even in the most remote and fragile contexts, enterprise can unlock dignity, attract investment, and unleash untapped potential for lasting development.



## Safe water and new jobs flow into Kakuma



In 2020, during Nairobi's COVID-19 lockdown, **Isiah Mutua** travelled to Kakuma and saw both a challenge and an opportunity: limited access to clean water. By 2021, he launched **Lifta Kenya**, installing reverse osmosis equipment to guarantee safe drinking water in a community hosting over 300,000 refugees.

With **KKCF support**, Lifta imported a water-filling line and bottle-blowing machine, cutting prices from Ksh 50 to Ksh 10 per litre. Today, the company employs **57 people**, prioritizing women and youth,

with most distributors being women-owned shops. Somali refugee Kumala Muktar notes that Lifta's water has sharply reduced waterborne diseases in Kalobeyei Settlement.

Lifta also runs a **KKCF-funded recycling programme**, aiming to collect two bottles for every one sold. With added training in business development and ESG compliance, Mutua now plans to scale production, making safe water a standard across northern Kenya.

## Today's Impact



- ▣ **KKCF is unlocking economic opportunities in one of Kenya's most fragile regions**, attracting businesses to Kakuma and Kalobeyei, where limited infrastructure once kept private investment away.
- ▣ **The programme is demonstrating the viability of refugee and host community markets**, making the case for further investment in northern Kenya and showing that enterprises can thrive even in challenging environments.
- ▣ **By fostering entrepreneurship and supporting local businesses, KKCF is creating dignified livelihoods**, expanding services, and strengthening household resilience for both refugees and the host community.
  - ❖ **24 businesses established** across sectors such as agriculture, health, education, hospitality, renewable energy, and financial services — a 125% increase from the baseline.
  - ❖ **46,927 households** reached and **207,000 people** benefited from improved services.
  - ❖ **US\$11.3 million in funding committed**, representing 96% of total Flow Through Funds and a 30% increase from 2023.
  - ❖ **987 new jobs created** and **1,598 jobs sustained**, with **31% held by women**.
  - ❖ **Refugees and women are leading enterprise growth**, with 27 refugee-owned and 32 women-owned businesses supported.

## KKCF's Innovative aspects



**Private sector in refugee settings:** KKCF is proving that refugee and host community markets are investable by attracting private enterprises into Kakuma and Kalobeyei, shifting the model from aid-dependence to market-driven resilience.



**Inclusive business ownership:** Refugee- and women-owned enterprises are thriving under KKCF support, showing that marginalized groups can grow successful businesses when given access to capital, training, and market opportunities.

Innovative aspects



**Blended financing:** By combining grants, technical assistance, and investor partnerships, KKCF de-risks fragile market investment and builds confidence among private investors, unlocking new capital flows for northern Kenya.



**Technology and energy solutions:** Investments in production plants, solar power, and mini-grids improved services for 234,000 people, expanded livestock production, and created thousands of new power connections, demonstrating the role of clean energy in driving inclusive enterprise.

Learnings

- 1

**Private sector can thrive in fragile contexts:** KKCF has shown that commercially viable businesses can operate profitably in refugee-hosting areas while delivering essential services, proving that humanitarian settings are ripe for investment.
- 2

**Inclusion drives sustainability:** By supporting women, youth, and local entrepreneurs, KKCF fosters resilience, long-term empowerment, and stronger social cohesion, reducing tensions between refugees and host communities.
- 3

**Beyond funding, technical assistance matters:** Customized support has strengthened business capacity, enabling enterprises to adapt to local challenges and scale sustainably.
- 4

**Context-specific interventions are essential:** KKCF’s blended approach of supporting private firms, social enterprises, and local entrepreneurs ensures flexibility to meet diverse needs in complex environments.

Highlights, hurdles, and insights

Highlight:	<p><b>3,025 youths trained by KDII</b> in tailoring and menstrual health, helping young people build skills and livelihoods while expanding enterprise opportunities in Kakuma and Kalobeyi.</p> <p><b>Hydroponics is scaling its farming model</b>, expanding beyond contracted acreage to 49 acres of open land now supporting 100 farmers, with an additional 100 planned for 2025. Partnerships with other financiers have also enabled 400 more farmers to benefit from an 80-acre farm.</p> <p><b>Enterprises are diversifying services across sectors:</b> Migingo Fish Supplies extended its value chain to Lodwar and Lake Turkana, aggregating and selling 88.3 tons of fish; Nemlon Enterprises is setting up a vocational training and tailoring center; Steve Kings Bakers is expanding with a new facility to meet demand; and Kalobeyi Main Medical opened a larger facility with an incinerator, improving healthcare access and quality.</p>
Hurdle:	<p>Fragile markets persist in Turkana County, where refugees and host communities continue to face limited services and scarce job opportunities, leaving many still reliant on humanitarian aid.</p>
Insights:	<p>KKCF is shifting communities from aid dependence to economic participation, proving that refugee and host markets can sustain thriving enterprises.</p> <p>Enterprises across agriculture, health, education, hospitality, fisheries, renewable energy, and financial services are generating jobs, delivering essential services, and opening new opportunities for refugees, women, and youth.</p> <p>Even in the most remote and fragile contexts, KKCF shows there is untapped potential for lasting development through inclusive, market-driven investment.</p>



## Investment Advisory Services

UNLOCKING ENTERPRISE  
POTENTIAL ACROSS AFRICA'S  
FRONTIER MARKETS

AECF Advisory serves as a special-purpose vehicle dedicated to unlocking the growth and investment potential of Africa’s enterprises. Our mandate is to provide targeted technical advisory services, specifically technical assistance to strengthen businesses from within, and investment-readiness and facilitation intervention, readying businesses for next-level capital.

Traditional business development services often follow a “one-size-fits-all” approach that overlooks the realities of Africa’s diverse and fragile markets. AECF Advisory has built an adaptive advisory architecture specifically designed for Africa’s SME landscape, characterized by informality, limited access to finance, and underdeveloped market systems.

AECF Advisory delivers its work through structured and validated models.

Enterprise Growth Model (growthlift):

AECF Advisory applies the GrowthLift™ model to strengthen enterprises' fundamentals, improving governance, refining business models, and building operational resilience. This systematic approach ensures that investees are structured for sustainable growth and scale readiness.

Capital Acceleration Pathway (CAP):

Through CAP, Advisory bridges the gap between grant dependence and investment readiness. The pathway integrates financial diagnostics, investor engagement, and post-investment support to enable SMEs to attract catalytic capital for scale-up.

Integrated Learning and Impact Tracking:

Monitoring, Evaluation, and Learning (MEL) are embedded across engagements to track performance, generate insights, and inform adaptive delivery, ensuring that every advisory input drives measurable results.

Strategic Partnerships for Scale:

Establishing strategic Partnerships amplifies reach and co-creates scalable solutions in the agribusiness and renewable energy sectors, enhancing collective impact and accelerating the diffusion of innovation.

AECF Advisory is not just supporting enterprises; it is reshaping how business advisory and investment-readiness are delivered in frontier markets, proving that African enterprises can scale sustainably when supported with the right architecture.



Delivery Channels

AECF Advisory delivers its services through two complementary channels that make its model both practical and scalable:

AECF Studio:

The execution hub where tailored advisory solutions are co-created with enterprises. The Studio delivers hands-on, fit-for-purpose technical assistance from strategy design to implementation, ensuring that every engagement directly improves business performance and investment readiness. AECF Studio hosts roving experts, whose services are available over longer term periods assuring deeper support to businesses and ownership.

AECF Academy:

This is AECF’s capacity-building platform that equips entrepreneurs, management teams, and advisors with practical knowledge and tools. The Academy focuses on experiential learning, leadership development, governance strengthening, and investor engagement, enabling enterprises to sustain impact beyond advisory engagements.

The Studio and Academy create an integrated system that accelerates enterprise growth and builds a pipeline of investment-ready SMEs across Africa’s fragile and emerging markets. This dual approach, combining detailed business advice with structured learning, sets AECF Advisory apart as a purpose-built, scalable, and impact-focused platform for transforming enterprises.



## Today's Impact

Across Africa, AECF Advisory continues to demonstrate that targeted business and investment support can unlock tangible growth and resilience in enterprises operating within fragile markets. By combining hands-on business improvement with structured investment-readiness support, Advisory has helped enterprises strengthen their foundations and connect with capital that fuels sustainable expansion.

Enterprises supported

  
**523**


Av. revenue growth

  
**44.6%**

Improvement in profitability

  
**49%**

Follow-up capital mobilized.

  
**US\$23.85**

### Insight

AECF Advisory's development shows that lasting impact happens when businesses are enabled to take charge of their growth. It aims to be a reliable partner for enterprises, funders, and investors by transforming technical support into a driver of inclusive, market-focused growth throughout Africa, leveraging both technical expertise and local knowledge.

- ▣ **Tailored advisory drives measurable enterprise performance:** Customized technical support directly translates into revenue growth and improved operational efficiency, confirming that one-size-fits-all approaches are insufficient in fragile markets.
- ▣ **Investment readiness is key to unlocking capital:** Enterprises that strengthen governance and systems are better positioned to access financing, highlighting the importance of integrated business and advisory investment.
- ▣ **Integrated support multiplies impact:** Combining business strengthening with access to finance creates a reinforcing cycle, improved operations attract investment, which in turn fuels further growth.
- ▣ **Dual Delivery channels:** AECF Studio and Academy enable Advisory to meet enterprises at their current stage, provide tailored, practical support, and extend reach across diverse markets, enhancing capacity building and ensuring sustainable impact.
- ▣ **Strategic partnerships amplify results:** Collaborations with organizations such as the AFDB strengthen technical solutions, extend reach, and help co-create scalable advisory models for Africa's SMEs.



## Tarmaso's Transformation Journey through AECF Advisory

In Somalia's emerging renewable energy market, Tarmaso stood out for its ambition but faced challenges common among early-stage enterprises: weak systems, unclear governance structures, and a business model not yet ready to attract catalytic capital. The company had the potential to deliver clean energy at scale but lacked the foundational strength and investor confidence needed to grow sustainably.

AECF Advisory partnered closely with Tarmaso's leadership to strengthen the company's foundation and prepare it for scale. Together, they established clear governance systems and operational procedures, redesigned the business model to enhance market competitiveness, and built robust financial controls and performance tracking tools. To unlock growth capital, AECF Advisory conducted detailed investment-readiness diagnostics to identify funding gaps, supported the development of compelling pitch decks and investor narratives, and helped design financial models that demonstrated scalability and sustainability.

The team also facilitated investor matchmaking and provided post-investment support to ensure

long-term success. As a result of this partnership, Tarmaso evolved from a promising idea into a structured, growth-oriented business, securing **US\$1.5 million** from private investors for expansion, connecting **250 households** to clean energy, achieving **71% revenue growth** in just one year, and recording a **37% improvement in operational efficiency** driven by enhanced systems and governance practices.

**Through AECF Advisory, we shifted from being a grant-dependent business to one capable of attracting private capital. Now that we understand our value, market, and growth strategies, we have secured \$1.5M in follow-on funding. Sharmarke Abdulkadir, CEO, Tarmaso Energy.**

Tarmaso's success story illustrates how strategic advisory and capital acceleration can unlock enterprise potential, even in fragile markets like Somalia. The company is now actively engaging new investors for scale-up financing, with a strengthened value proposition, clearer capital roadmap, and renewed confidence as one of Somalia's most investible renewable energy enterprises.

## Donors and partners

AECF collaborates with a diverse network of partners who bring expertise and resources to advance sustainable development in Africa. Their support helps us foster economic growth, reduce poverty, and build resilience in agribusiness, renewable energy, and women's economic empowerment



### AGRA

AGRA catalyzes food system growth, supporting the AECF's Seeds for Impact programme to fund seed companies producing food security crops for smallholder farmers.



### EU

The EU's Finance for Inclusive Growth in Somalia empowers women and youth-owned businesses through financing, enhancing economic stability and inclusive opportunities.



### Global Affairs Canada (GAC)

GAC advances Canada's values globally, focusing on women's empowerment and climate-smart, gender-inclusive businesses in Kenya, South Sudan, Nigeria, Benin, and Burkina Faso.



### International Finance Corporation (IFC)

AGRA catalyzes food system growth, supporting the AECF's Seeds for Impact programme to fund seed companies producing food security crops for smallholder farmers.



### KfW

KfW supports SMEs in Sudan, fostering resilience and employment, and backs the AECF's energy access investments in Nigeria to address critical market gaps.



### Sida

Sida works to reduce poverty by financing innovative, pro-poor businesses in agribusiness, renewable energy, and climate adaptation through challenge funds with the AECF.



### LuxDev

LuxDev, the development agency of Luxembourg Cooperation, finances private companies in Burkina Faso through the Promotion of Solar Solutions to Stimulate Green Employment (PROSSEV-BF) programme, combining grants and technical assistance to green production units and creating local jobs

# Governance

The AECF Board of Directors is the governing body responsible for fulfilling legal duties and obligations. It is fully accountable to the AECF's stakeholders, employees, and the public. The Board provides strategic direction and oversees financial and program performance to ensure effective management and governance. To fulfill its responsibilities, the Board is supported by committees to maintain the highest level of integrity and fulfill our commitments.

## Board of Directors



**Frank N. J. Braeken**  
BOARD CHAIR



**Ada Osakwe**



**Adidjatou Hassan**



**David Governey**



**Dr. Ernest Poku**



**Enock Chikava**



**Joost Oorthuizen**

## Board Committees



### Nominations and Governance Committee:

Ensures board integrity through director planning, compliance, and fostering core values.

*Chair - Frank N. J. Braeken*

### Programme Committee:

Aligns mission with strategic goals, ensuring programme impact supports sustainable development in Africa.

*Chair - Enock Chikava*

### Investment Committee (IC)

The IC evaluates and approves all investments, including decisions on fund allocation and the need for technical assistance for various program areas.

*Chair - Ravinder Singh Sikand*

### Audit Finance and Risk Committee:

Oversees financial reporting, compliance, and risk management to build stakeholder trust.

*Chair - David Governey*



# Financial Report

STATEMENTS FOR  
FINANCIAL YEAR

JAN - DEC 2024

Financial Statements

Year	2024 USD	2023 USD	2022 USD	2021 USD
Total Income	20,459,049	21,109,351	24,351,765	20,660,993
Total costs by category:				
■ Disbursements	11,873,798	12,406,167	14,921,413	12,875,537
■ Investment Advisory Services	1,062,278	886,427	1,450,750	1,068,945
■ Total investments to companies	12,936,077	13,292,594	16,372,163	13,944,482
■ Other costs	8,157,060	7,670,544	8,077,650	6,972,512
Total costs	21,093,137	20,963,138	24,449,813	20,916,994

Income by Donor:	2024 USD	2023 USD	2023 USD	2023 USD
AGRA/ Syngenta	55,849	124,385	1,156,466	977,574
CGIAR	8	150,726	-	-
Danida	-	112,591	397,193	223,620
FCDO	-	1,427,308	2,977,766	3,630,513
EU	955,288	387,893	1,753,959	1,568,104
GAC	6,247,815	2,628,043	672,309	91,940
IFC	3,955,473	3,508,444	2,889,622	1,922,659
AfDB	118,751	105,924	7,780	-
Netherlands Embassy	-	26,572	-	-
Sida	7,556,354	11,908,724	14,364,045	11,596,953
UNIDO	-	-	7,120	-
Kfw	1,377,561	-	-	-
LuxDev	191,952	-	-	-
Total	20,459,049	20,380,610	24,226,260	20,011,363

THE AECF  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

ASSETS	2024 USD	2023 USD	2022 USD
Current Assets			
■ Cash and cash equivalents	39,001,143	38,954,941	28,384,710
■ Other Assets	4,645,278	3,670,091	9,243,858
TOTAL ASSETS	43,646,421	42,625,031	37,628,568
Fund Balances and Liabilities			
■ Deferred income	22,097,593	20,367,186	15,510,076
■ Funds and operating reserves	18,572,702	20,185,255	20,510,624
	40,670,295	40,552,442	36,020,700
Current Liabilities			
■ Accounts payable and other liabilities	2,976,127	2,072,590	1,607,868
Total fund balances and liabilities	43,646,421	42,625,031	37,628,568



## The AECF

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