

REACT 2.0 Catalyzing Climate-resilient Energy Access and Inclusive Finance for Agricultural Transformation Programme in Ethiopia
Frequently Asked Questions (FAQs)

1. What is the REACT 2.0 Ethiopia Programme?

The Renewable Energy and Climate Technologies (REACT) 2.0 Ethiopia Programme is a SEK 23.87 million initiative funded by the Swedish International Development Cooperation Agency (Sida) and implemented by AECF. It aims to catalyze private sector investments that enhance climate-resilient energy access, agricultural productivity, and food security across underserved regions in Ethiopia. The program will provide catalytic capital and technical assistance to early and growth-stage companies offering renewable energy and climate-smart agricultural innovations.

2. What is the geographical scope of this programme?

The programme targets private enterprises operating in Ethiopia, with a focus on regions that demonstrate strong agricultural potential, high energy poverty, and demand for productive use of energy (PUE) solutions such as:

- Oromia Region
- Somali Region
- Amhara Region

Note: Enterprises operating in other underserved areas may also apply, provided they target low-income households in need of off-grid power solutions for lighting and productive use in various agricultural value chains.

3. Who is eligible to apply?

- Private sector companies Legally registered, and physically present in Ethiopia.
- Private companies that have been in continuous operation for at least two full accounting years at the time of application and able to provide audited financial statements for the past two years.
- Private companies actively engaged in the renewable energy sector, with a demonstrated operational presence and capacity to distribute SHS or PUE technologies in compliance with Ethiopian legal and regulatory requirements.
- Private companies that are able to demonstrate sound financial management capacity and provide matching funds equivalent to AECF's contribution on a 1:1 basis.
- Private companies that operate in underserved or off-grid regions of Ethiopia, targeting low-income households and agricultural value chains.

4. How long will the programme run?

2 years (2025 –2027):

5. What are the ticket sizes?

Applicants can apply for grants between USD 250,000 and USD 400,000, depending on business maturity, project scope, matching funds availability, and potential 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:

- Access to basic electricity services

- Productive Use of Energy (PUE) solutions
- E-waste solutions
- Financial Services

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

Yes. Applicants must provide matching funds equivalent to AECF's contribution on a 1:1 basis. Financial contributions to the project can be made in cash or a combination of cash and/or 'in kind' provided the in-kind contribution does not exceed 20% of the overall contribution. Acceptable evidence includes bank statements, MoUs, or commitment letters confirming access to funds. Matching contributions may also include founder equity, supplier credit, inventory, or other verifiable business inputs.

8. What funding instruments will be used?

The programme will use a mix of:

- Milestone-Based Financing – for Capex projects and PUE infrastructure investments.
- Results-Based Payments (RBPs) for household energy access and distribution projects.

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

Funding will be provided as non-repayable grants. However, investees must comply with all program requirements, including milestone achievement, reporting, and matching fund requirements.

10. What is the competition process?

The process includes: 1. Call for proposals 2. Concept note submission and review 3. Business plan development for shortlisted applicants 4. Final selection and contracting.

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

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

12. How can I apply for the grant?

Applications must be submitted through AECF's online application portal: [Africa Enterprise Challenge Fund \(AECF\) Application Manager](#) Only applications submitted through the portal will be examined.

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

Yes. Applicants can save drafts and return to edit before submission. However, once submitted, applications cannot be modified/alterd

14. When is the application deadline?

The call will open at 12.00 a.m. EAT on 20th November 2025 and close at 11:59 p.m. EAT on 9th January 2026. Late submissions will not be accepted.

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

You will receive an automated confirmation email once your application is successfully submitted through the portal.

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

Email: reactethiopia2.0@aecfafrica.org for any queries or technical support related to the application.

17. What will happen if I miss some 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?

Successful applicants will receive an official notification from reactethiopia2.0@aecfafrica.org outlining the next steps for due diligence and contracting. Unsuccessful applicants will also be notified through the submission portal.

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

No. Each company may submit only one proposal under this competition.

20. Is it possible for a company to apply for two windows?

Yes. A company may apply for both windows. In this case, the applicant must clearly indicate this in their application

21. When will I receive funding if successful?

Funding will be disbursed after contract signing and upon achievement of agreed milestones as verified by AECF.

22. What kind of non-financial support will the program provide?

Technical Assistance (TA) includes business development support, environmental and social compliance training, community engagement, financial management, and monitoring and evaluation of capacity building.

23. Who provides TA?

TA is provided by AECF and its partners (e.g., international & local advisory firms).

24. How can participants raise complaints or concerns?

AECF operates a Grievance Redress Mechanism (GRM) at both the fund and project levels (investees). Complaints can be submitted via email or phone.

25. The REACT 2.0 Ethiopia program state that applicants must provide a 1:1 matching contribution equivalent to the grant amount. At the same time, the CapEx Facility specifies that AECF will contribute up to 40% of the total capital expenditure. Could you kindly clarify how these two conditions work together in practice?

AECF clarifies that the 40% is for 1 system whereas 1:1 matching is the total grant request. For example a company may be applying for 200k, to deploy systems whose total CapEx is 20k the grant amount for that system will be 8k, which means that if all systems cost the same, with the 200k, AECF grants can cover up to 25 systems, the company will have to pay for the other costs, in this example, for CaPex alone, the company will need to contribute 300k which is even higher than 1:1.

26. A company has been awarded a grant, however the contract has not been signed, and the grant has not been received. Should it still be included in the application form?

Yes. AECF is interested in understanding the various other grants and donors that are investing in potential investees to ensure that there is no duplication of effort and/or double counting of resources.