REACT 2.0 PROGRAMME BRIEF

Regional - Digital Innovation Fund for Energy & Climate Programme (DIFEC)

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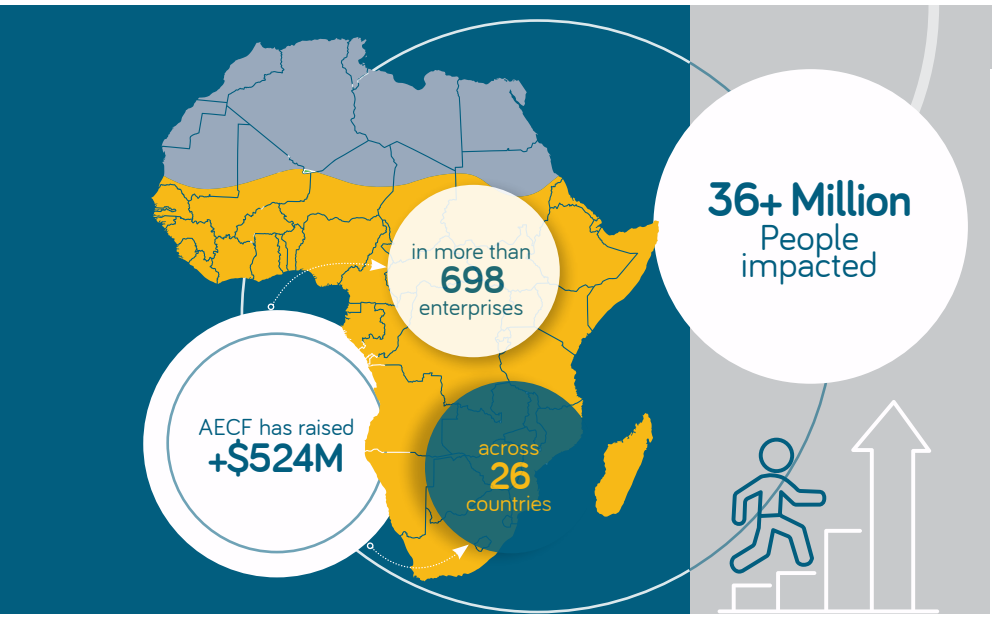


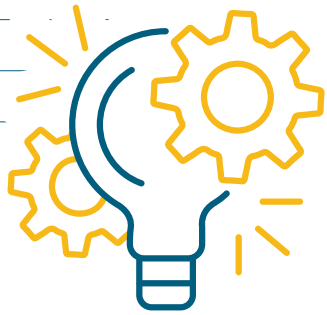
About AECF

The Africa Enterprise Challenge Fund (AECF) is a leading development finance organization that supports innovative private-sector companies to drive inclusive growth across Africa.

Since 2008, AECF has raised over USD524M in more than 576 enterprises across 26 countries, unlocking markets and improving the lives of over 36 million people through clean energy, agribusiness, and climate adaptation solutions.

Programme Details

Programme:	Renewable Energy and Climate Technologies (REACT) 2.0 Regional Programme
Theme:	Digital Innovation Fund for Energy & Climate Programme (DIFEC)
Duration:	3 years (2026 – 2028)
Region:	Region: Sub-Saharan Africa
Budget:	**SEK 50 million**
Funding Partner:	Swedish International Development Cooperation Agency (Sida)
Implementing Agency:	Africa Enterprise Challenge Fund (AECF)



Introduction

The Digital Innovation Fund for Energy and Climate (DIFEC) is a regional three-year programme designed to unlock the potential of digital technologies to accelerate clean energy access and strengthen climate resilience across Sub-Saharan Africa. The initiative addresses critical barriers faced by early- and growth-stage enterprises developing digital solutions for distributed renewable energy (DRE), clean cooking, productive use of energy, e-mobility, digital agriculture, and circular economy systems.

A regional 3-year programme designed to unlock the potential of digital technologies to accelerate clean energy access and strengthen climate resilience across Sub-Saharan Africa.

Programme Objectives

The programme seeks to:

Improve clean energy access

Improve clean energy access for last-mile households and enterprises by supporting digital solutions addressing distribution, after-sales service, consumer financing, carbon financing, demand stimulation and operational efficiency for SHS, mini-grids, micro-grids, productive-use equipment, clean cooking and circular economy models.

Foster replicability

Foster replicability and systemic value through digital innovations that are scalable across multiple markets, with the potential to drive continent-wide energy and climate transformation.

Promote energy efficiency

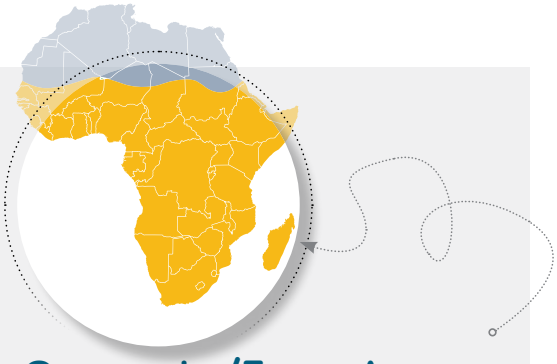
Promote energy efficiency and sustainable transition by fostering digital tools that support efficient system design, monitoring and management, and new models of energy production, distribution and consumption.

Enhance gender inclusion

Enhance gender inclusion by supporting enterprises to conduct gender needs assessments and implement gender action plans that integrate women more effectively as customers, workers and decision-makers.

Strengthen climate mitigation

Strengthen climate mitigation and adaptation by scaling digital tools that enable natural resource management, climate-smart agriculture, early-warning systems, carbon tracking, and adaptive energy services.



Geography/Focus Area

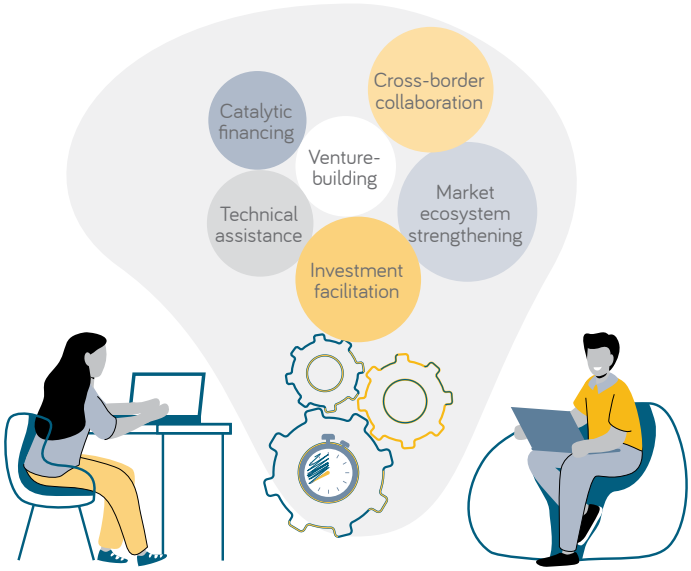
The programme is Sub-Saharan Africa focused and open to digital enterprises across the region.

Priority is given to:

- Enterprises based in SSA
- Companies demonstrating regional scalability;
- Digital solutions adaptable across multiple African markets

Programme Approach

The programme adopts AECF's Challenge Fund model, identifying and supporting private enterprises offering innovative, scalable digital solutions for energy access, climate adaptation and mitigation. The approach integrates catalytic financing, venture-building, technical assistance, investment facilitation, market ecosystem strengthening, and cross-border collaboration.



Funding Opportunities

The programme provides two funding windows:

Window 1: Digital Innovation Fund – Growing Window

This window targets pre-revenue companies with a minimum viable product and it will provide USD 150,000–300,000 grants up to 36 months. The support will include milestone-based grant disbursement, business model design, financial strategy, customer segmentation and access to AECF Innovation Lab. AECF will also ensure that companies can benefit from venture-building support from ecosystem actors.

Window 2: Digital Innovation Fund – Scaling Window

The window will target growth-stage companies with proven commercialization and revenue by providing grants of USD 250,000–400,000 grants up to 36 months. The support will include milestone-based disbursement, market research refinement, financial and commercial plan development and technical, regulatory, data and digital infrastructure advisory. Companies will be supported on investment readiness, transaction advisory and cross-border scaling support through ecosystem actors.

Companies under scaling window can potentially benefit from a reserve fund when the following criteria is observed:				
1	2	3	4	5
≥**20,000** customers served	Capacity to enter at least one additional country	≥**15%** YoY revenue growth or improving EBITDA	Ability to raise external investment	Matching funds commitment ≥**1:1**

Supported Technologies and Target Beneficiaries

The programme will support digital innovations that directly contribute to the programme's expected outcomes, including expanded clean energy access, climate resilience, gender inclusion, enterprise strengthening, and regional digital ecosystem development.

01 ***Digital-Enabled Clean Energy Access Technologies that expand access to affordable, reliable, and modern energy services through digital integration, such as:***

- PAYGo platforms and digital consumer financing tools
- IoT-enabled monitoring systems for SHS, mini-grids, and PUE systems
- Smart metering, diagnostics, and remote service management
- Digital tools for distribution, after-sales service and maintenance (linked to expanded access to digital-enabled clean energy solutions)

02 ***Digital Tools for Climate Resilience and Adaptation Solutions that improve climate information, risk management and resource efficiency, including:***

- Weather forecasting and early-warning systems
- Remote sensing and satellite-based environmental monitoring
- Digital tools for natural resource management and regenerative agriculture
- Climate advisory platforms for farmers and rural communities (linked to stronger climate resilience through digital tools)

03 ***Digital Solutions that Advance Gender Inclusion technologies and platforms that promote women's participation in energy and climate value chains, such as:***

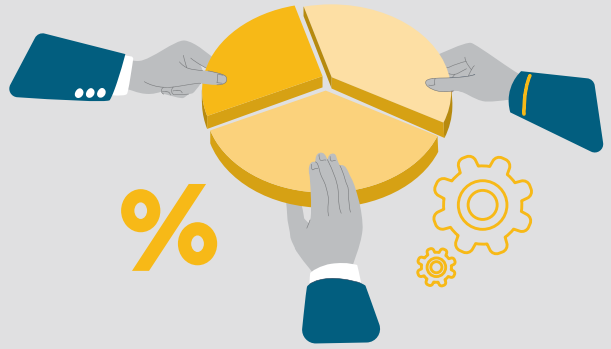
- Gender-responsive digital finance products
- Training, workforce development, and inclusion platforms
- Digital access tools that reduce time burdens (e.g., clean cooking monitoring, energy-use optimization - linked to increased gender inclusion in enterprise operations and markets)

04 ***Enterprise Performance, Efficiency, and Investment-Readiness Technologies Digital systems that help enterprises improve productivity, transparency, and scale, including:***

- Enterprise resource planning (ERP), CRM, and digital operations tools
- Data analytics, business intelligence, and decision-support systems
- AI-supported forecasting and demand planning tools
- Digital compliance, ESG monitoring, and impact-tracking platform (linked to improved enterprise performance and investment readiness)

05 ***Regional Digital Ecosystem & Cross-Border Scalability Technologies Solutions that support interoperability, replication, and regional market integration, including:***

- Cross-border digital platforms for energy, climate, or circular economy services
- Digital marketplaces for clean energy, PUE, and climate-smart technologies
- Standardised APIs and interoperable architectures for regional scaling
- Digital tools supporting e-waste traceability and circularity across multiple countries (linked to strengthened regional digital ecosystems)



Matching Fund Requirement

Applicants must provide matching funds equivalent to AECF's contribution on a 1:1 basis. Verifiable proof of funds such as bank statements, MoUs, or commitment letters, will be required before disbursement. Matching contributions may also include founder equity, supplier credit, inventory, or other verifiable business inputs. Applicants must demonstrate sound financial management and commitment to co-investment.

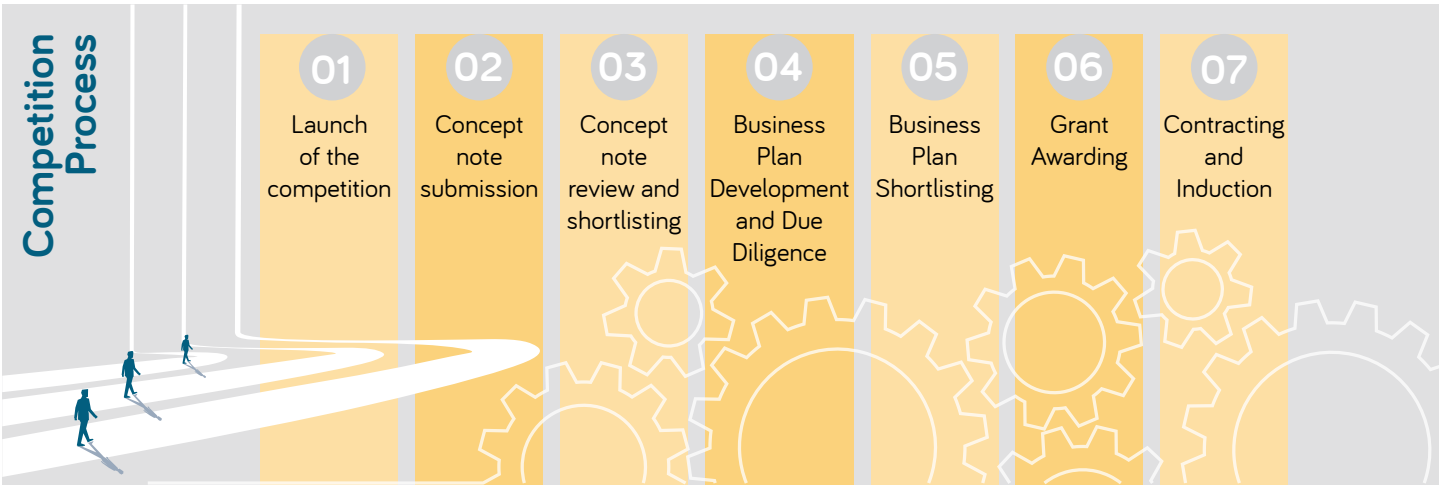
Programme Support Mechanisms

In addition to grant funding, the programme will provide tailored Technical Assistance (TA) to contracted companies to strengthen project delivery, business performance, and improve sustainability and impact.

Cross-Cutting Themes

The programme integrates gender equality, youth empowerment, and environmental sustainability across all interventions. Supported enterprises will be encouraged to adopt inclusive business models, create green jobs, and adopt climate-smart practices that reduce environmental impact.

Competition Process



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