

AECF: AECF REACT Sub Saharan Africa Programme

	Implementing partner(s)	Africa Enterprise Challenge Fund (AECF)
	Location	Nationwide
	Agreement period	01 July 2017-30 June 2022
	Budget total (Sweden)	500 000 000 SEK (Liberia)

Overview and objectives

REACT Sub-Saharan Africa (REACT SSA) is a programme to support renewable energy in Sub-Saharan Africa (SSA), specifically Liberia, Burkina Faso, Ethiopia, Kenya, Mali, Mozambique and Zimbabwe, together with a regional component to support technical assistance, research and learning activities.

Liberia has one of the lowest levels of access to electricity in the world, in particular in rural areas. This programme seeks to address that accessibility issue by supporting the development of a renewable, environmentally sustainable energy market. The programme also facilitates access to clean fuels and cook stoves to reduce indoor air pollution which particularly impacts women and girls in Liberia.

The Africa Enterprise Challenge Fund (AECF) is a pan African organisation which provides investment support to the private sector for enterprises in target areas (such as renewable energy) which benefit the rural poor. It runs this programme and manages the REACT SSA fund.

The overarching aim of the programme is to **reduce poverty through an increase in the use of renewable energy technologies in the target countries**. It does by funding and incentivising private sector investment and innovation in renewable energy and climate change technologies.

Activities

The programme activities are two-fold:

- **Financing of renewable energy businesses**, through a country-based competitive process. This includes facilitation of the competition phase, and grant management when awarded.
- **Value added services**, including the awarding of innovation prizes, technical assistance to support the management capacity of businesses, research and advocacy.

Financing typically operates on the provision of matching grants to private businesses following a competitive process. Grant funds are used in accordance with agreed business plans submitted by the recipient business. The programme's activities in Liberia have commenced with a country context study, to better understand the energy markets to inform the design of the competitive process. This has led to an introduction of a graduated investment model for Liberia, where 8-12 companies will be supported with grants of up to USD 100 000 for 6-12 months under an incubation model to prove their concept and develop their business models. Five companies will "graduate" to the Challenge Fund with a second-round matched grant of USD 100 000-250 000. Three companies will receive a third-round grant of USD 250 000- 750 000 one year after the second-round.



Figure 1: Panel discussion at REACT SSA launch in Liberia. Photo credit: REACT SSA