



**REACT Kenya
Relief Fund**



REACT Kenya Relief Fund

The REACT Kenya Relief Fund will provide emergency grants to distributed energy service companies who are struggling to maintain access to energy to their thousands of rural customers because of the unprecedented disruptions and challenges from operating during the COVID-19 pandemic.

Since 2011, AECF has been supporting Kenyan businesses reach off-grid rural communities with low cost, clean energy products and services. By providing patient capital in the forms of grants and zero interest loans to a carefully selected portfolio of companies, AECF has been able to contribute to enhanced energy access for over 700,000 off-grid households, create thousands of new jobs and opportunities for young people, and improve incomes and health conditions for rural communities.

The Covid-19 pandemic threatens to reverse this valuable progress and increase energy poverty and inequality across Kenya. Supply chains and distribution networks have been restricted by lockdowns, curfews, and social distancing measures. Rural customers are struggling with steep decreases in income and cannot afford even micro-payments to access lighting for their homes. They risk losing the access to the energy and information services that they need to better protect themselves during the pandemic.

Purpose of the fund

The REACT Kenya Relief Fund is a USD2 million initiative that will award emergency grants to companies operating in Kenya that can demonstrate

that (i) they are serving the energy needs of off-grid households in poor rural and peri-urban areas and (ii) they need financial support if they are to safeguard jobs and essential services during the coronavirus pandemic.

Funded by Sweden, and managed by AECF, support will be provided through disbursements of emergency grants (USD50,000 –USD200,000) to cover short-term working capital needs (3-12 months) and technical assistance for business continuity.

The specific objectives of the fund are to:

- Provide relief to off-grid energy companies so that their employees, customers, and supply chains are not adversely affected by Covid-19 economic shocks;
- Guarantee energy access as an essential service (lighting, cooking and productive use of power) during the COVID-19 emergency;
- Provide targeted technical assistance to enable companies to develop solid strategies of coping with the COVID-19 pandemic.
- Understand the impacts that COVID-19 has had on low-income, off-grid households.

Types of clean energy products and services supported



Off Grid Solar Home Systems and Solar Lanterns.



Energy efficient, clean cooking stoves and fuels.



Mini and Micro Grids.



Productive Use of Energy (PUE) Assets (e.g. Solar Water Pumps).

Eligibility criteria

The fund is open to current AECF portfolio companies as well as other companies in Kenya who meet the following criteria:

- Be a limited liability company (LLC), legally registered and physically established in Kenya;
- Minimum of USD250,000 turnover in the past 12 months, with more than 30 staff in Kenya, and a current portfolio of at least 3,000 active energy customers;
- Business goal is to increase access to clean and affordable energy solutions for all (SDG 7);
- At least 70% of revenues from sales of energy access products/services to low-income households;
- Demonstrates clear approach to continuing services and preserving value chain employment during and post COVID-19;
- Must have working capital covered up to June 2020 and a ten-month funding plan showing liquidity scenarios from July;
- Has a financing gap created by the impact of COVID-19, split per budget line (and not supported by other sources of funding);
- Can justify need for relief funding of between USD50,000 – 200,000; and
- Has capacity to quantify the socio-economic impact the support will have on the company's customers and employees during COVID-19.



How to apply

To apply for support, please go to www.aecfafrica.org/covid-19 and click on the “Apply” button and register on our secure online application platform. You will be expected to complete an application form including sections on: the financial and socio-economic impact of Covid-19 on your business, evidence of working capital from January 2020 to June 2020, monthly forecasts for June to Dec 2020, and proof of business performance prior to the pandemic.

Funding will be tied to impact targets and progress against these targets will need to be reported upon according to agreed schedules and requirements

Applications will be accepted on a rolling basis until midnight (EAT) Thurs 11 June 2020.

We strongly recommend submitting before that date as funds are limited and the window will close once all funds are allocated.

If you seek further clarifications regarding the application, please email info@aecfafrica.org

The grant making process:



**To apply, go to www.aecfafrica.org/covid-19
Terms and conditions apply**