

REACT SSA Innovation Fund FACT SHEET



Introduction

REACT Sub - Saharan Africa (REACT SSA) is a programme funded by the Swedish International Development Cooperation Agency (SIDA). It provides financing and technical assistance to innovative renewable energy businesses and purposeful business ideas across Sub-Saharan Africa (SSA).

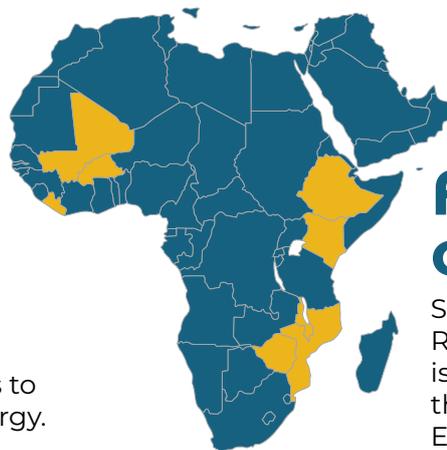
The Innovation Fund is a component of REACT SSA. It is a US\$ 1.2million facility that intends to stimulate the private sector to develop new, or scale innovative and catalytic approaches that address the low access to affordable and efficient renewable energy-powered technologies. The fund has a specific focus of addressing SSA's most pressing energy access challenges of clean cooking and productive use in seven countries.



Grant objective

The Innovation Fund is designed to support innovations that contribute to increasing access to clean cooking solutions and productive use energy.

Focus will be on supporting the commercialization of new innovations to validate market fit and potential.



Focus countries

Seven countries where REACT SSA programme is being implemented, that is, Burkina Faso, Ethiopia, Kenya, Liberia, Mali, Mozambique, and Zimbabwe.

Innovations supported

The fund will support innovations in technological products, software, business models and distribution models, either:

1. New innovations – products or services yet to be introduced to the market but beyond prototype stage, or
2. Extreme changes to existing innovations (products or services)



Eligibility criteria

Eligible projects and companies will be those that are testing new innovations or extreme iterations to existing innovations. Applicant must already have a viable product or service, that has already gone through the prototyping phase, with activities which should be completed within 24 months.

Eligible projects:

The proposed project can be in any or a combination of the following areas:

- Scalability approaches: Scalable supply chain models for providing clean cooking solutions especially in rural areas. For instance, innovations in the supply chain that enable scalability through approaches that overcome demand uncertainty by matching demand and supply.
- Clean cooking solutions: Alternative clean cooking technologies in the form of stoves and fuels, such as mini-grid and solar PV powered electric cooking.
- Productive use energy solutions: Business models and technological innovations for Productive Use Energy (PUE) appliances such as milling, threshing, grating, specific value chains (poultry, dairy, and coffee) and commercial scale refrigeration.
- Purchasing solutions: Solutions that narrow the energy access affordability gap for clean cooking and productive use. This included sustainable consumer financing models.
- Improvement on existing businesses: Innovations that can be seamlessly incorporated into prevailing or growing business and distribution models are encouraged, such as PAYGo and 'tool and fuel' business models.

Eligible companies:

- Only private companies can qualify for funding and must have a direct interest in commercializing the innovation being tested.
- Partnerships are allowed, but applications must clearly demonstrate the roles of the parties and their capabilities.
- An NGO interested in applying for funding must partner with a private company, where the private company will be the lead applicant.
- In the case of partnerships, the lead applicant will be evaluated hence will be the key determinant of the outcome.
- Companies in the REACT SSA portfolio of AECF also qualify to apply

The following projects are NOT eligible:

Technology development: The fund is not intended to support technology development. It is only intended to support technology validation, that is, testing to check whether a new product or service is a good market fit and whether it has market potential.



Co-financing requirements

Successful applicants will be required to co-finance their project. The Innovation Fund will only cover up to 70% of the total project cost, hence a co-financing requirement of a minimum of 30% of the project cost is expected.



How to apply

There will be a one-step application process. Applicants are required to complete an Innovation Fund Application available on the AECF website, www.aecfafrica.org.

Your application should provide details and rationale of the project as per the fund objectives; and should respond to the eligibility requirements.

Technical, organizational, and financial due diligence assessments will be carried out by AECF on successful applicants. Those assessed satisfactorily will be contracted to receive funding.



Application deadline

Applications will be accepted from **18 March 2021 to 29 April 2021 (11.59pm)**.

For any clarification about the application process, please email Innovationfund@aecfafrica.org