

REACT SSA

Innovation Fund Round 2

FACT SHEET



Introduction

The Innovation Fund is a component of the AECF's Renewable Energy and Adaptation to Climate Technologies Sub Saharan Africa Programme (REACT SSA) a US\$61 million project funded by the Swedish International Development Authority (Sida).

Grant objective

Through the Innovation Fund, AECF aims to support businesses and entrepreneurs to validate market fit and potential of innovations in technological products, software, business models and distribution models that contribute to increasing access to clean cooking solutions and productive use energy for people living in rural areas and particularly for the poor.



Focus Countries

The programme seeks to reduce poverty through a transformational increase in productive energy and clean cooking with a particular focus on innovations that can be applied to address challenges in Western and Southern Africa.



Innovation Fund Objectives

1. To surface innovative products or business models that are sufficiently developed to address the affordability and accessibility of clean cooking and productive use of energy technologies, across all SSA.
2. Provide an integrated set of business development services to accelerate business growth, while improving the rigour and accessibility of the innovation.



Eligibility

- The applicant needs to have a minimum viable product/service (i.e. a product/service that has already gone through a prototyping phase).
- The applicant must have undertaken market research demonstrating the need for the innovation in the selected geography.
- It is desirable for the applicant to demonstrate sales and/or a tangible demand of the proposed innovation.
- The private enterprise must be registered and operational in sub-Saharan Africa.
- Only private companies with a direct interest in commercialising the innovation being tested can be eligible lead applicants, however applicants are free to partner with non-private sector players for the implementation of their projects. The innovation fund seeks to support targeted, output-based activities that can be completed within 24 months.

Innovations Supported

The fund will support the testing of new innovations or extreme iterations to existing innovations to validate market fit and potential including:

- Scalable supply chain models for providing clean cooking solutions (especially in rural areas). Acknowledging that supply chains for cleaner fuels lack the necessary scale to reach many rural communities, the fund seeks to support supply chain innovations that can for example address demand uncertainty by matching demand and supply.
- Alternative clean cooking technologies (stoves and fuels) including mini-grid and solar PV powered electric cooking.
- Business models and technological innovations for Productive Use of Energy (PUE) appliances such as milling, threshing, grating, specific value chains (poultry, dairy, and coffee) and commercial scale refrigeration.
- Solutions that narrow the energy access affordability gap for clean cooking and productive use for example sustainable consumer financing models that could bring Tier 3 appliances and above within reach of a larger share of the population.
- Innovations that can be seamlessly incorporated into prevailing or growing business and distribution models (such as PayGo and 'tool and fuel' business models) are encouraged.
- Please note, our investments are not intended to support any technology/innovation development.

Funding

Between US\$100,000-200,000 per company and up to \$300,000 for exceptional innovations.

Co-financing

The co-financing requirement is a minimum of 30% of the project cost (the innovation fund will only cover up to 70% of the total project cost). In-kind¹ contributions are acceptable.

1. In kind contribution eligibility to be determined at the inception phase. Examples could include the contribution to product development.

Award Criteria

- Potential of the innovation to provide access to transformative energy services to hundreds of thousands of people in the long run, or significantly improve the operational efficiency of the target businesses.
- In depth knowledge of the problem(s) being addressed by the innovation and what approaches are likely to work in the given context.
- A good understanding of the target customer.
- Potential to create socio-economic and environmental benefits including but not limited to addressing gender inequality and social inclusion issues.
- Commitment to drive the innovation i.e., through team structures with clearly defined roles, responsibilities, and time commitments.
- An openness and flexibility to review and revise their strategy as required.

Application Structure

There will be a 2- step application process:

Step 1: Application stage where innovations/businesses must provide relevant details as per the AECF application.

Step 2: Award stage based on technical, organisational, and financial due diligence of the applicant.

How to Apply

Applicants are required to complete an Innovation Fund Application available on the AECF website, www.aecfafrica.org.

Application Deadline

Applications will be accepted from 27th October to 11.59pm West Africa Time on the 26th November on a rolling basis. For any clarification about the application process, please email Innovationfund@aecfafrica.org

An applicant webinar will be held Thursday 11th 2.00pm (EAT), 1.00pm (CAT), 12.00pm (WAT). Please register on the AECF website, www.aecfafrica.org

Timelines

Companies are expected to be contracted from December 2021.

All projects need to be concluded by June 2023 (to allow for a 6-month innovation evaluation period from June to December 2023).