



REACT 2.0 **PROGRAMME BRIEF**

Energy for Green Growth and Sustainability in Kenya



Sweden
Sverige



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About AECF

AECF (Africa Enterprise Challenge Fund) is a leading non-profit development organization that supports innovative enterprises in the agribusiness and renewable energy sectors with the aim of reducing rural poverty, promoting resilient communities, and creating jobs. Up to date, AECF has supported 510 businesses in 26 countries in Sub-Saharan Africa, impacted more than 33 million lives, created over 35,000 direct jobs, and leveraged US \$838 million in matching funds.



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US \$838
Million leveraged



35,000
Direct jobs created

33 Million
Lives impacted



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Programme Details

Programme:	Renewable Energy and Climate Technologies (REACT) Programme
Theme:	Energy for Green Growth and Sustainability in Kenya
Duration:	Four years, January 2025 – December 2028.
Region:	Kenya (open countrywide)
Budget:	SEK 39.5 million

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Introduction

The Renewable Energy and Climate Technologies programme (REACT) is a 4-year initiative implemented by the AECF in Kenya and funded by the Swedish International Development Cooperation Agency (Sida). The programme's key objective is to achieve a reduction in energy poverty, environmental degradation and resource depletion, and contribute to economic growth and increased employment opportunities.

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Programme Goal

The programme seeks to contribute to the green growth of Kenya by providing employment opportunities, increasing incomes, enhancing resilience and improving the quality of life by transforming energy access, e-mobility and waste management sectors for sustainable development.

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Eligibility Criteria

Applicants must meet the following criteria:



Have a **physical presence in Kenya** at the time of investment awarding by AECF.



Have been in operation for **at least two years**.



Be **legally registered** as a for-profit entity, such as a corporation or limited liability company (LLC), or a branch or subsidiary of an international for-profit company.

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Geography / Focus area

The programme shall focus on companies with the most impact and transformation anywhere in Kenya.

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Programme Approach

The aim is to invest in innovative business ideas that have a demonstrable development impact in areas such as the circular economy, Productive Use of Energy (PUE), energy access, and e-mobility. The programme utilizes a challenge fund model to identify and support investees offering innovative solutions within these sectors.

This model ensures a competitive selection process, providing fair and equal access to available funding for businesses that drive sustainable impact and economic growth.

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Programme Objectives

This programme aims to:

- Increase access to modern energy services for underserved communities.
- Enhance access to productive use of energy (PUE) solutions for MSMEs and agricultural value chains.
- Support the growth of reliable and affordable e-mobility services (mainly 2- and 3-wheelers) in Kenya.
- Promote circular – economy principles, including ecosystem restoration, waste recycling, and green transition technologies.

The programme will accomplish these goals by offering tailored, concessional capital and technical assistance to innovative companies.

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Funding Mechanisms

The facility includes two primary funding mechanisms:

Results-Based Financing (RBF):

Targets companies with strong growth potential, rewarding additional sales beyond a pre-agreed baseline. Incentives are capped at \$200 for household use and \$300 for productive use, with a focus on clean energy solutions, PUE, and e-mobility.

Milestone-Based Grants (MBG):

Supports early-stage and innovative businesses requiring upfront investment. The grants facilitate market entry, refine business models, and improve affordability for solutions targeting underserved markets.

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Funding Ticket Sizes

Company Size (Turnover, USD)	Business – Stage of Development	Funding Range (USD)
≤ 200,000	Early stage (≥ 2 years of operation)	100,000 – 250,000
≥ 200,000	Growth stage (≥ 2 years of operation)	300,000 – 500,000

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Matching Fund Requirement

The funding requirement from the applicant is 1 (AECF) to 0.4 (applicant) based on the application value. Financial contributions to the project can be made in cash or a combination of cash and/or 'in kind' provided the in-kind contribution does not exceed 25% of the overall contribution.

AECF will discuss with the applicant how to best agree on the contribution commitment and valuation.

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Programme Support Mechanisms

Technical assistance (TA) will be available under this programme. This non-financial assistance will be provided as value-add services to the targeted beneficiaries to maximize the quality of the project implementation outcomes, business sustainability, and impact.

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Competition Process

