

Digital Energy Challenge – Frequently Asked Questions (FAQ)

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This document summarises the answers to the frequently asked questions about the Call for Projects. It is updated regularly and available for download on the Digital Energy Challenge website.

A. ELIGIBILITY

Q1) Are innovative SMEs from all African countries eligible for the 2026 edition of the Challenge?

For both Challenge categories, the eligibility criteria do not limit the location of participating innovative SMEs, meaning that companies from around the world are welcome to apply. Yet, proposals from local African companies are strongly encouraged and will be given favorable consideration.

However, each category is associated with a specific list of eligible countries in which the project may be carried out:

- Digital Energy Challenge Partnership: The project must take place in Nigeria, as it promotes a partnership with a Nigerian utility.
- Digital Energy Challenge Tech Accelerator: The project must take place in a country included in the list of eligible countries (specified in the Call for Project rules, available in the Application Pack)

Q2) Are French/European companies eligible?

Yes, French, European or UK companies can be eligible for both Challenge categories, as long as they meet all the other eligibility criteria described in Q15.

Q3) Are NGOs eligible?

NGOs can apply to both categories at the following conditions.

1) Either:

- the applicant is a 'branch' of the NGO which is set up as a company
- OR the activity for which the NGO applies is planned to spin off as a company in the coming years, has a dedicated team, business plan
- OR the activity for which the NGO applies is clearly targeting sustainability/profitability in the coming years, has a dedicated team, business plan

AND

2) The entity respects the eligibility criteria, as defined in the Call for Project rules and described in Q15.

Q4) Is there a minimum/maximum number of years of existence for an innovative SME to apply for the Digital Energy Challenge?

No, there is no minimum or maximum number of years of existence to apply for the Digital Energy Challenge. However, there are other eligibility criteria, described in Q15.

Q5) Is there a maximum budget for a project to be eligible?

For both Challenge categories, there is no maximum budget defined for projects.

As a reminder:

- For the Tech Accelerator, the funding request expressed within the framework of the Challenge must not exceed EUR 150K (including grant AND expert support).
- For the Partnership, applicants must present a budget estimate for the total Project as part of the application process. The project presented must be associated with a funding request of EUR 400K maximum (including grant AND expert support).

Q6) What kind of expenses can be included in the “research expenses” representing 20% of total deductible expenses?

Research expenses are:

- Depreciation allowances on fixed assets created or acquired new and directly allocated to scientific and technical research operations, including the development of prototypes or pilot installations
- In the event of damage affecting these fixed assets, the depreciation allowance corresponding to the difference between the insurance compensation and the cost of reconstruction and replacement
- Personnel expenses related to researchers and research technicians directly and exclusively assigned to these operations
- Additional remuneration for employees who are inventors of an invention resulting from research operations
- Other operating expenses. These are set at a flat rate of 75% of the depreciation allowances (mentioned in the first point) and 40% of personnel expenses (43% for research expenses incurred before February 16, 2025)
- Expenses incurred for carrying out similar operations entrusted to recognised or accredited organisations, universities, or qualified scientific or technical experts (under conditions)
- Standardisation expenses related to the company's products (for half of their amount)
- Expenses billed by research-performing or knowledge-disseminating organisations (e.g., universities, public research institutes, or non-profit research centres) for carrying out scientific and technical research operations under a collaboration contract concluded between January 1, 2022, and December 31, 2025.

Q7) Are certain technologies/applications automatically excluded from the Challenge?

Yes, there is a list of excluded activities, applicable to both Challenge categories (i.e. Tech Accelerator and Partnership), which is the same as the exclusion list of AFD's '2019-2022 Energy Transition Strategy'. The following are thus excluded:

- Coal-fired power plant-related projects
- Projects for power stations to produce electricity from fuel oil and diesel
- Infrastructures associated with an exploration unit for the production or storage of fossil resources or to produce electricity based on fossil fuels

Q8) Can two innovative SMEs apply to the Challenge together?

Two innovative SMEs cannot apply to the Challenge together. However, it does not prevent the “project leader” innovative SME that applied to collaborate or partner with other companies for the implementation of the project, including another innovative SME. For example, subcontracting any services directly related to the project is an expense eligible to the grant (see part ‘C. Benefits’ of the FAQ). The Challenge aims at encouraging innovative technologies’ transfer between innovative SMEs. Project owners who do not develop the technological and/or technical solution themselves, but rely on an innovation developed by another SME, may also apply, provided that this solution is central to the proposed project.

Q9) My company applied to the Digital Energy Challenge between 2021 and 2025, but the project was not selected. Can my company reapply this year?

Yes, your company can reapply for the same project or for a different one, as long as:

- Your company and your project meet the new eligibility criteria defined in 2026
- Your project’s activities correspond to the theme of this year’s Challenge (see Q14)

Q10) My project was selected as one of the laureates of the Digital Energy Challenge in the past, can I apply again?

No, projects previously awarded in the framework of the Digital Energy Challenge are not eligible for the subsequent editions.

However, it is possible for an entity that has been awarded in the past to reapply in the Challenge (Tech Accelerator or Partnership) if it presents a different project from the one that received the award, provided that the success of the awarded project is proven and the entity can demonstrate growth in business since the first award.

Q11) What is considered a “digital” project?

A project is considered digital if its digital component(s) meets the definition of the Call for Project rules, i.e. any telecom/computer/cloud-based technology which can be either:

- Developed as the core value proposition (i.e. the main service or product offer) of the project
- Or used by a project at the core of its innovative business model (i.e. as a key means to an end)

Q12) What criteria must the “R&D dimension” of my project meet?

As defined in the Call for Project rules, the project must, to a certain extent:

- Be innovative (generating new knowledge or applying knowledge in new ways)
- Be creative, systematic, and uncertain in outcome
- Aim to produce generalisable findings, evidence, or innovations
- and use rigorous research methodologies

Q13) My company has a project to install a renewable energy (RE) production asset. Is it eligible for the Digital Energy Challenge?

The main objective of the Digital Energy Challenge is to promote digital innovations/business models in the energy sector.

Therefore, if your project solely involves the installation (and potentially the grid connection) of a RE production asset, without any significant innovative digital component or an innovative business model relying on digital features/tools, it is not eligible to the Digital Energy Challenge.

If your project involves the installation of RE assets paired with digital innovations to maximise their efficiency and impact, or to enable the development of a greener, more flexible and cost-effective power infrastructure, it could be eligible to the Digital Energy Challenge (if company and project both also meet the other eligibility criteria). In that case, a major part of the AFD's funding should be earmarked for the digital and innovative components of the project, rather than for the construction/commissioning of the asset(s).

Q14) Are there different themes for the Tech Accelerator and the Digital Energy Challenge Partnership?

For the 2026 edition of the Digital Energy Challenge, the selected themes are:

- **Product 1: Grid Planning and Investment Optimization**, including:
 - o Item 1: Implementation of advanced planning tools
 - o Item 2: Optimization of network investments
- **Product 2: Microgrid and DER Management Platform**, including:
 - o Item 3: Deployment of a Microgrid Controller with a VPP module
- **Product 3: Data Platform and Integrated Network Visibility**, including

- Item 4: Improve network operation (network visibility and outage detection)

Note that products are divided into items for clarity purposes, but covering a product requires addressing all its items, either individually or via an integrated solution.

Digital Energy Partnership applicants are invited to submit AEDC-tailored proposals covering one or several products, with Products 1, 2 and 3 reflecting the defined order of priority; however, preference will be given to proposals addressing the full scope of the projects. Additional details on AEDC's specific needs regarding those products are available in the Call for Project rules.

Digital Energy Tech Accelerator applicants are required to submit a proposal covering one product only. No priority is defined between the products under this scheme.

Tech Accelerator applicants are not required to comply with AEDC specific needs, as they may propose products tailored to the needs of other African utilities, or even not tailored to a specific utility, provided that the core intent of the product is preserved and that the R&D deployed through the project contributes to improving the performance of energy systems across Africa (the project generates relevant pieces of knowledge that are generalisable and replicable).

Q15) How do I know if my company is an innovative SME?

The definition of an innovative SME, as per the Call for Project rules, is a company which:

- Is legally established (i.e., properly incorporated) and can prove it
- Does not show a high risk of bankruptcy (high level of indebtedness, etc.)
- States that it respects the KYC rules defined in Article 12 of the Call for Project rules
- Employs fewer than 250 people
- Generated less than €50 M of annual turnover in the last fiscal year or had a total balance sheet below €43 M
- Is independent, meaning that at least 50% of its capital must be continuously held by:
 - natural persons,
 - or by one or several companies meeting the same conditions, at least 50% of whose capital is held by natural persons,
 - or by investment structures (such as venture capital funds – FCPR), provided there is no dependency relationship between the investment structure and the innovative SME,
 - or by associations or foundations recognised as being of public interest with a scientific purpose, or by a company qualified as an innovative SME carrying out R&D projects,
 - or by public research or higher education institutions or their subsidiaries,

- It carries out research expenses (see Q6) representing at least 20% of total deductible expenses, excluding foreign exchange losses and net charges on the disposal of marketable securities, for the same fiscal year.

Q16) Is an innovative SME eligible if it does not have a turnover yet, and/or if it has not raised any funds yet?

Yes. There are no minimum thresholds for the turnover or the funds raised. There are however maximum thresholds: an innovative SME must generate less than €50 M of annual turnover or have a total balance sheet below €43 M.

Q17) Is a university or research centre eligible to participate in the Challenge as an innovative SME?

Yes, universities and research centres can be eligible to the Challenge (Partnership and Tech Accelerator) if the research team intends to perpetuate its offer within the framework of a private structure (e.g.: commercial spin-off of a research project) and if that private structure meets the other eligibility criteria described in Q15.

B. APPLICATION/SELECTION PROCESS

Q18) Is it possible to submit several applications?

It is possible to submit several applications within one category (Digital Energy Challenge Partnership or Tech Accelerator), if the projects are different.

In addition, it is possible to apply to both categories, Digital Energy Challenge Partnership and Tech Accelerator. In this case, the company will submit separate applications and follow both tracks independently (two application forms, two committees, two round of interviews...). Nevertheless, one SME cannot win both categories.

Please note that application quality is key for pre-selection and selection. Therefore, if you cannot submit two high-quality applications, we recommend you focus on the one with the best chances of being selected.

Q19) What are the criteria used to prioritise and select the applications?

Common prioritisation criteria:

1. Digital, R&D, and innovation: Level of innovation and role of digital technologies, R&D aspects such as new findings generated, description of rigorous research methodologies...
2. Impact and benefits: Replicability, number of beneficiaries, jobs created...

Additional criterion for the Tech Accelerator only:

3. Path to success and risk profile: Relevance to the Utility, risk anticipation and mitigation, soundness of the project economics...

Additional criteria for the Partnership only:

3. Path to success for solution's integration and risk profile: Relevance for the utility, complexity of solution integration of the utility, added resilience to the utility, risk anticipation and mitigation...
4. Financial strengths and support needs: Business model robustness and project team skills/expertise.

For Digital Energy Tech Accelerator applicants, preselection will place emphasis on the first criteria "1. Digital, R&D and innovation". For Digital Energy Partnership applicants,

preselection will place emphasis on the third and the fourth criteria: “3. Path to success for solution’s integration and risk profile” and “4. Financial strengths and support needs”.

Simply put, the Partnership is geared toward more mature companies capable of integrating a solution into AEDC’s ecosystem, whereas the Tech Accelerator targets earlier-stage companies with a strong R&D focus.

Q20) How is an innovative project defined?

A project can be innovative in two ways:

- Intrinsically innovative, i.e. it provides a new solution to an identified problem.
- Innovative in relation to its local context, if the existing solution is provided in a new environment.

Q21) When assessing the impact of the project, are you only considering the impact that the project will have over the span time of the grant agreement, or over its entire life?

The prioritisation and selection processes consider the possible impact of the project over its entire lifetime.

However, in the application forms, candidates will be asked to describe their project’s expected impact over a two-year period; this requirement is solely intended to facilitate comparison between applications.

Q22) Who are the members of the Pre-selection and Selection Committees?

- The Pre-selection Committees will be made up of members of the Challenge Organisation. In addition, for the Digital Energy Challenge Tech Accelerator, representatives of the Transforming Energy Access (TEA) initiative will participate. For the Digital Energy Challenge Partnership, representatives of the Utility will also take part in the process.
- The Selection Committees will comprise the same members as the Pre-selection Committee, with the addition of external experts and partners. For instance, experts from African energy hubs or investment funds focused on Africa.

NB:

- For the Digital Energy Challenge Partnership, the committee will be composed in accordance with the Utility.
- The composition of the committees may differ between the Digital Energy Challenge Tech Accelerator and Partnership, and from one edition to another.

Q23) Will the non-selected projects receive personalised feedback on their applications?

Due to the large number of applications received (around 200 in 2025), we cannot provide each applicant with personalised feedback. Only applicants who passed the pre-selection phase (but not selected by the selection committee) may obtain more detailed feedback on demand.

Q24) What documents do I need to provide to apply?

For the Digital Energy Challenge Partnership, you are required to prepare a detailed budget estimate **and** key elements of the business model and upload them in the application form and when you submit your application.

For the Digital Energy Challenge Tech Accelerator, you must provide proof of secured funding and upload it in the application form and when you submit your application, if your company has complementary fundings beside the Tech Accelerator funding request.

Links to both categories' application forms and additional information about the application process are in the [Application Journey](#) document, available in the Application Pack.

Q25) What documents do I need to provide for the advanced analysis?

The advanced analysis phase will take place from July to September 2026.

During this period, pre-selected applicants for both categories will be notified and invited for the advanced analysis phase.

For the Digital Energy Challenge Tech Accelerator, pre-selected applicants may be invited to fulfil and submit an advanced electronic analysis form (received and sent back by e-mail) for the Consultant to run a comprehensive analysis of the project with regard to the established criteria. On top of this additional form, the Organiser and Consultant will conduct interviews with project owners to complete the evaluation.

NB: Additional financial documents will likely be required so that specialised members of the selection committee or advisers can run a comprehensive analysis as well.

For the Digital Energy Challenge Partnership, the advanced analysis phase will include two phases conducted in parallel, the flash due diligence, and the testing phase (see next question).

Q26) What is the Flash Due Diligence and the testing phase?

Only for Applicants to the Digital Energy Partnership, the advanced analysis phase will include the following:

[Flash due diligence](#)

- Assessment of the business plan: top line, partners, financing...
- Assessment of specific topics based on AFD and AEDC's needs depending on the project
- 2h+ discussions with the Consultant to present their vision, way to manage operations, reliance on funding partners, etc.

In that phase, applicants must be able to provide a detailed budget estimate, a team resources allocation plan, and the split of work and responsibilities between Utility and innovative SME.

Testing phase

A playground will be structured for the testing phase as follows: candidates will have the opportunity to verify their solution's ability to interact with real, anonymised data from the Utility, with 2-4 weeks to prepare their demonstration. A budget of €5,000 per SME will cover demo-related expenses (FTEs, libraries, etc.). The €5,000 will be transferred to the SME provided that

- The KYC have been complete successfully
- The testing was duly carried out (no need for the testing to be a success / meet prioritisation criteria).

For the whole duration of this phase, the Consultant will manage continuous Q&A support via email (weekly answer batches), mobilising experts and utility stakeholders as needed.

C. BENEFITS

Q27) What kind of expenses are eligible for the grant?

Common fundable expenses include:

- The purchase of equipment directly related to the project
- The purchase of software and digital tools directly related to the project (e.g., software licenses)
- Subcontracting of any services directly related to the project

Additional fundable expenses specific to the Digital Energy Challenge Tech Accelerator:

- Recruitment, remuneration and training of staff directly related to the project
- Administrative expenses (including custom rights and banking fees) directly related to the project

Additional fundable expenses specific to the Digital Energy Challenge Partnership:

- The products and services provided by the innovative SME
- The training related to the project and provided by the innovative SME.

Q28) What is the maximum funding request and how is it divided between grant and Expert support requests?

For applicants in the Tech Accelerator category, the maximum funding request is EUR 150K. At least 25% of this funding request must be dedicated to Expert support needs, or, in other words, a maximum 75% of the total funding request shall be dedicated to the grant request. This means that for a funding request of EUR 150K, at least EUR 37.5K must be earmarked for the Expert support, and a maximum EUR 112.5K can be earmarked for the grant.

Note that the Expert support envelope will be allocated at the discretion of the Selection Committee.

For applicants in the Partnership category, the maximum funding request is EUR 400k. At least 15% of the funding request must be dedicated to Expert support needs, or, in other words, a maximum 85% of the total funding request shall be dedicated to the grant. This means that for a funding request of EUR 400K, at least EUR 60K must be earmarked for the Expert support, and that maximum EUR 340K can be earmarked for the grant.

Note that the Expert support envelope will be automatically allocated to the winning projects, although the final amount will be decided at the discretion of the Selection Committee.

Q29) About the Expert support:

- What is Expert support?

- **Will it be provided systematically?**
- **How will the Expert support provider be chosen?**

For awardees of the Tech Accelerator:

- Expert support refers to R&D and project management assistance that the awardee may need, it covers: 360° diagnosis, technical expertise, strategic/expert advice, accounting/financial support, operation reporting tools development and support. Applicants are asked to specify their anticipated need for Expert support by filling in the appropriate field on the online application form (available in the Application Journey document in the Application Pack)
- Expert support will not be automatically provided to the winning SME. The Selection Committee will assess the request for expert support and decide whether to grant it to the winning SME. The Selection Committee can also ask the winning SME to modify its Expert support request, if it judges that the identified need is not the most urgent one.
- The Expert support supplier will be selected by the innovative SME from a shortlist agreed with the Consultant and the final scope of work will be validated by the Challenge Organisation Team. Please note that it must be directly linked to the R&D eligible aspects of the project to be validated by the Selection Committee (for example, no legal advice on company activities unrelated to the winning R&D project; however, support for the commercial development of the R&D solution is allowed).
- In the online application form, applicants are asked to indicate whether they have already identified a relevant expert support provider for the proposed scope of work. If so, they should provide the name of the provider. Subject to validation by the Challenge Organisation Team, the proposed entity may then be included in the shortlist of expert support providers.

For awardees of the Digital Energy Challenge Partnership:

- The Expert support provided may cover needs such as technical expertise, project management assistance, project ownership assistance, strategic/market expert advisory. Applicants are asked to specify their anticipated need for Expert support by filling in the appropriate field on the application form (available in the Application Journey document in the Application Pack)
- Applicants to the Digital Energy Challenge Partnership are encouraged to consider a project management assistance or a project ownership assistance, especially in the case of a first collaboration. The winning project will be systematically provided with an Expert support, but the Selection Committee may ask them to reconsider the scope and value of their Expert support request
- The Expert support supplier will be selected by the winning project owners from a shortlist agreed with the Utility, the Consultant and validated by the Organiser. Please note that it must be directly linked to the R&D eligible activities to be validated by the Selection Committee (for example, no legal advice on company activities unrelated to the

winning R&D project; however, support for the commercial development of the R&D solution is allowed)

- In the online application form, applicants are asked to indicate whether they have already identified a relevant expert support provider for the proposed scope of work. If so, they should provide the name of the provider. Subject to validation by the Challenge Organisation Team, the proposed entity may then be included in the shortlist of expert support providers.

Q30) Is there a maximum duration for the project?

The duration of the project funded by the Digital Energy Challenge should normally be between 12 and 18 months (time to market or project implementation).

If your project deployment is longer than 18 months, the grant may cover only one phase of the project, provided that this phase is clearly defined and explained in the application form.

Q31) Will the selected companies get the opportunity to meet each other and eventually develop business relationships beyond the Digital Energy Challenge?

Yes, the awardees will all be invited to an award ceremony and a bootcamp (location still to be defined). One of the main objectives of the bootcamp is indeed to foster synergies between projects and companies, with specific activities such as “networking sessions”, as well as with more informal moments, allowing innovative SMEs and utilities to meet each other.