

KKCF – FAQs

What is Kakuma Kalobeyei Challenge Fund (KKCF)?

KKCF is a US\$25 million initiative which awards grants to small and medium-sized companies, social enterprises and local entrepreneurs that are commercially active or have a strategic plan to enter the Kakuma and Kalobeyei areas in Turkana County, Kenya.

What are the objectives of KKCF?

The objective of KKCF's Competitive Business Challenge is to attract the private sector to Kakuma Kalobeyei and to retain existing companies by providing access to funding and capacity building by;

- Attracting new private companies and social enterprises to the Kakuma and Kalobeyei refugee hosting area. This will in turn result in the creation of employment opportunities for refugees and the host community, create more consumption choices, and potentially reduce prices of commodities and consumables.
- Provide opportunities to scale-up the operations of private sector companies and social enterprises already present in the Kakuma and Kalobeyei area.
- Develop and grow refugee and host community owned businesses.
- The Program will enable better economic integration and self-reliance of refugees and host communities in the Kakuma and Kalobeyei area.

What challenges are the fund seeking to address?

KKCF aims to address the following development challenges in the Kakuma and Kalobeyei area:

- Limited access to capital which has prevented the locals from opening their own businesses.
- Lack of access to reliable, affordable energy.
- Lack of clean water for domestic use and poor sanitation.
- Relatively low meat prices, hence low profits for livestock farmers
- Poor waste management
- Lack of childcare services

For how long will the program run?

5 years (from 2020 to September 2024).

How do the private sector and social enterprise windows work?

- Applicants fill in an online application form explaining their business model and justifying their need for funding.
- Applications go through a rigorous evaluation and those that are shortlisted, proceed to the due diligence phase and further evaluation for final selection.
- Successful applicants will receive disbursements of grants and technical assistance for business continuity.

Grants will range from:

- US \$250,000 to US \$750,000 for the Private Sector Window
- US \$100,000 to US \$750,000 for the Social Enterprise Window

What sectors / technologies are eligible for funding?

- The priority sectors for the Private sector window are Renewable Energy, Agribusiness and Financial Services, although the window will be open to all sectors
- The priority sectors for the Social Enterprise Window are Childcare, Water, Sanitation and Recycling, although the window will be open to all sectors

Is this a loan or a grant that I will need to pay back?

- Funding is in the form of grants. Funding will be tied to impact targets and progress against these targets will need to be reported upon according to agreed schedules and requirements.

What is the process and timelines of disbursement of these funds?

- All disbursements will be subject to fulfilment of set milestones
- All milestones will be agreed between AECF and investee at the contracting stage

What are the selection criteria for companies under the Private Sector Window?

To be eligible for funding, businesses must meet the following criteria:

- Request a grant within the stipulated range.
- Legally registered as a for-profit company (e.g corporation, LLC, etc.) or a branch/subsidiary of an international for-profit company, and physically established in Kenya at the time of awarding of investment by AECF.
- Have been in operation for a minimum of two years, with the ability to produce two years of audited accounts [these could be from the parent company, if recently established as a branch/ subsidiary in Kenya].
- Compliant with all governmental statutory requirements.
- Passes AECF's KYC (know your customer), AMT/CFT (anti-money laundering and counter-financing of terrorism), PEP (politically exposed person) and IDD (integrity due diligence) screening.
- Businesses must comply with all applicable national laws relating to human rights, labor and social and environmental management and respect internationally recognized human rights standards, as expressed in the International Bill of Human Rights and in the core labor standards established through the International Labor Organization.
- Businesses not listed on the International Finance Corporation (IFC) Exclusion List, i.e. businesses supporting terrorism, production/trade of weapons, radioactive materials, tobacco, etc.

What are the selection criteria for companies under the Social Enterprise Window?

To be eligible for funding, social enterprises must meet the following criteria:

- Request a grant within the stipulated range.
- Legally registered as an organization (e.g. Companies Limited by Guarantee) or a company (e.g. Limited Liability Company) and physically established in Kenya (e.g. should have the physical infrastructure or necessary team in place) at the time of grant award by AECF. International organizations are welcome to apply but will need to be legally registered and physically established at the time of funding award.
- Business model must be in line with definition of a social enterprise. i.e an organization or business which uses commercial strategies for the benefit of society or the environment while making a profit.
- Have been in operation for a minimum of two years, with the ability to produce two years of audited accounts [these could be from the parent company, if recently established as a branch/ subsidiary in Kenya].
- Compliant with all governmental statutory and regulatory requirements.
- Pass AECF's KYC (know your customer), AMT/CFT (anti-money laundering and counter-financing of terrorism), PEP (politically exposed person) and IDD (integrity due diligence) screening, based on the information submitted as part of the concept note.
- Businesses must comply with all applicable national laws relating to human rights, labor and social and environmental management and respect internationally recognized human rights standards, as expressed in the International Bill of Human Rights and in the core labor standards established through the International Labor Organization.

Will the financial support provided under KKCF be expand to other African countries?

Funding is focused in Kakuma and Kalobeyei area, Kenya only.

How will I know that my application is successful?

- You will receive an email from AECF informing you that your application has been selected for funding. You will also be informed on next steps with regards to due diligence
- Unsuccessful applicants will also be informed via email, highlighting the main reason why they have not been selected for funding.