



KAKUMA KALOBEYEI CHALLENGE FUND



Competition Term Sheet / Selection Criteria for Kakuma Kalobeyei Challenge Fund (KKCF) Local Enterprise Development Window

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The following term sheet provides a general overview of Kakuma Kalobeyei Challenge Fund (KKCF), the objective of the Competitive Business Challenge, the scope of the local enterprise development window, including funding ranges, financing and technical assistance offered, and window-specific eligibility and selection criteria, in order to inform prospective applicants in preparation of the full application process.

International Finance Corporation (IFC) first refugee and host community focused program in sub-Saharan Africa implemented jointly by IFC and The Africa Enterprise Challenge Fund (AECF) in Kakuma refugee camp, Kalobeyei settlement, and the host communities.

KKCF aims to enable better economic inclusion and self-reliance of displaced populations and their hosts in the Kakuma and Kalobeyei refugee hosting area.

The objectives of KKCF are to:

1. Attract new private companies and social enterprises to Kakuma and Kalobeyei area, which should lead to better employment opportunities for refugees and the host community and increase access to products and services.
2. Provide opportunities to scale-up the operations of private sector companies and social enterprises already present in Kakuma and Kalobeyei area.
3. Develop and grow refugee and host community owned businesses.

The competitive business challenge, implemented by the AECF, will support established businesses and social enterprises in implementing commercial projects in the area that have the potential to raise incomes, provide goods and services, create jobs and/or improve living standards. The Local Enterprise Development Window will specifically target local small- and micro-enterprises from refugees and Turkana County communities. The support includes provision of technical assistance and grants.

Duration of the programme	5 years (from 2020 to September 2024)
Geography/focus area	<p>The LED Window targets small and medium sized enterprises located in Kakuma and Kalobeyei. These businesses must be owned by residents and refugees of Turkana County, Kakuma and Kalobeyei areas.</p> <p>Kakuma area has hosted refugees for the past 28 years and additional support is needed to ease the social and economic pressures of hosting an increasing number of forcibly displaced persons. Kakuma town is the economic hub for Turkana West sub County and has attracted thriving businesses supporting both refugees and host communities as customers and employees.</p>
Eligible companies	<p>KKCF is targeting local, small and medium sized enterprises that will create sustainable operations that extend beyond the life of the five-year duration of the program.</p> <p>To be eligible for funding, businesses must meet the following criteria:</p> <ul style="list-style-type: none"> • Request a grant within the stipulated range of \$ 15,000 and \$ 50,000 • Enterprise in Turkana County founded and managed by a refugee or resident of Turkana County. • The funded businesses must be established in Kakuma or Kalobeyei area during implementation of the funding. • Established enterprise with a valid single business permit, having operated for no less than six months. • Compliant with the Turkana County Government statutory requirements to maintain a single business permit at the time of award/contracting. • Completes Integrity Due Diligence checks conducted by AECF. • Businesses not listed on the International Finance Corporation (IFC) Exclusion List i.e. businesses supporting terrorism, production/trade of weapons, radioactive materials, tobacco, etc.
Sectors	The KKCF Local Enterprise Development Window is open to businesses in any sector.
Funds available	<p>Applicants are expected to submit a funding application and concept note, presenting a project to be funded, explaining how the applicant meets the funding requirements, and state the funding amount and the proposed project duration. Funding must be used for a specific project in Kakuma and Kalobeyei areas. Applicants can apply for a range of grants depending on their need: Minimum fund award: US\$15,000 Maximum fund award: US\$ 50,000</p> <p>Funding is in the form of grants, where disbursements are based on mutually agreed milestones that must be achieved and are performance based.</p> <p>Maximum duration of the agreement: 1 year</p>
Disbursement milestones/ requirements	<p>The first disbursement is an advance payment, with subsequent disbursements contingent on verification of the use of the previous funds disbursed and meeting of set milestones.</p> <p>Disbursements will be in Kenya Shillings (KES) at the USD sales rate applicable on the date of disbursement.</p> <p>At the time of contracting, disbursement milestones will be agreed on between AECF and the applicant, which the applicant will then be required to meet in order to be eligible for each scheduled disbursement.</p>

Additional support available	<p>Technical assistance (TA) will be available under this funding window. This is non-financial assistance that will be provided as value-add services to the targeted beneficiaries in order to maximize the quality of the project implementation outcomes, business sustainability and impact. TA will primarily take on a group coaching approach for the beneficiaries under this window, through organized events and in leveraging local coaches.</p> <p>Technical assistance services include, but are not limited to:</p> <ul style="list-style-type: none"> • Pre-contract/preparatory technical assistance support in the form of awareness creation to all interested applicants, providing information on the competition including the opportunity for funding and the competition process; • Contracting technical assistance will be provided to enhance the understanding of business contracts and set expectations related to compliance of such; and • Post-contract technical assistance provided to those beneficiaries awarded funding, throughout the duration of their engagement with KKCF. Priority training subjects include the following: <ul style="list-style-type: none"> □ business planning, □ basic financial management (including bookkeeping), □ marketing and distribution, □ operations (including managing contracts and relationships with players along their value chains), and □ follow-on financing readiness and engagement support.
Required socio-economic impact	<p>KKCF will support increased economic activity in Kakuma and Kalobeyei that will boost the socio-economic inclusion of refugees and host communities, boost incomes and job creation for the refugees and host population and gradually facilitate economic development in the area. Applicants must make it clear in their application how the enterprise will incorporate local players that are already active in their sector of engagement them, thereby avoiding economic displacement.</p> <p>KKCF will ensure that women and youth gain equal opportunities for employment and business support as the rest of the target market; applicants should make it clear how they integrate women and youth into their business models and operations.</p>
Selection criteria	<p>Each applicant will be evaluated and scored against the following criteria:</p> <ul style="list-style-type: none"> • Geographic focus on Kakuma, Kalobeyei and the project intends to benefit either host or refugee communities, or both. • Demonstrated market demand of the business' products and/or services amongst refugee and host community populations, with a clear vision to achieve sustainability. • Capacity of the project to deliver and sustain social impact, particularly on refugees and women, and youth. • Demonstrated capacity of the team to implement the proposed business / project (adequate internal resources/capacity). • Demonstrated understanding of the forced displacement context, gender issues and culture of Kakuma refugee camp and host community. • Adherence to the blended finance principles, see a high-level guide in text box 13, below. <p>Women and youth -owned/led enterprises are highly encouraged to apply.</p>
Application process	<p>Applications for the first cohort will be accepted between 14 September 2021 and 05 November 2021.</p> <p>Interested applicants can access application forms in the following ways:</p> <ol style="list-style-type: none"> 1. Hard copy application forms can be picked up from the KKCF office in Kakuma, at the following address: 1st floor, KCB building, Kakuma Town; 2. Soft copies can be downloaded from the website www.kkcfke.org
Blended finance principles	<p>KKCF will apply the five blended finance principles below when evaluating applications to ensure the effective and efficient use of KKCF grants:</p> <ol style="list-style-type: none"> 1. Economic Case for Concessionality: the proposed project has a clear development impact, provides additionality through scope or scale and addresses specific operational barriers that commercial funding would not allow it to. 2. Minimum Concessionality & Crowding-In: an appropriate level of concessionality is determined and supported by data; the concessionality does not cause unfair competition; and the concessionality supports cost-sharing and crowding-in of other sources of funding. 3. Commercial Sustainability: confidence that the project and subsidy will support the applicant to achieve commercial sustainability, ensuring that the activities supported by the project will continue and/or expand after the funding terminates. 4. Reinforcing Markets: the project will address root causes of market failures, in collaboration and coordination with complimentary players, including other development and private sector actors, that are seeking to address the same or related market failures. 5. Promoting High Standards: the project will uphold the utmost standards in corporate governance, environmental impact, social inclusion, transparency, integrity and disclosure.
Commitments from selected applicants	<p>If selected, applicants must be committed to:</p> <ul style="list-style-type: none"> • Uphold the highest level of integrity to achieve specified goals. • Collaborate with AECF to finalize contract milestones and Key Performance Indicators (KPI's). Milestone indicators are agreed with AECF before signature of the contract. • Gather, analyse and share learnings from the project with AECF. • Report according to agreed schedules and requirements. • Participate in AECF/IFC annual program reviews. • Ensure financial data and other management systems are accessible for audit purposes upon request. • Comply with all applicable laws and regulations. • Comply with KKCF Environmental and Social requirements, those of NEMA and IFC's Environmental and Social Performance standards.

For more information

www.kkcfke.org

Application details:

All enquiries on application documents, email: info@kkcfke.org

Submissions:

All physical submissions: KKCF office located on the 1st floor, KCB building, Kakuma Town.

All online submissions should be via the e-mail address: led@kkcfke.org

Contact details:

KKCF Office Location: 1st floor, KCB building, Kakuma Town.

Mobile Number: +254 794626467

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