

Kakuma Kalobeyei Challenge Fund (KKCF) Private Sector Window and Social Enterprise Window - Round Two (PSW/SEW R2) — 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.
- Providing opportunities to scale-up the operations of private sector companies and social enterprises already present in the Kakuma and Kalobeyei area.
- Developing and growing refugee and host community owned businesses.

What challenges does the fund seek 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 with the competition/application duration being Dec 8 2021 to Jan 31 2022).

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.

How much in grants is available?

- US \$100,000 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 Round 2 are Light Manufacturing/Processing, Cold Chain Management Systems, Aquaculture, Retail Services and Financial Services, although the window will be open to all sectors.
- The priority sectors for the Social Enterprise Window are those that increase access to water, sanitation, recycling and childcare, 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 under the Private Sector Window and Social Enterprise Window?

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

- Geographic focus areas of Kakuma and Kalobeyei and the project intends to benefit either host or refugee communities, or both.
- Capacity of the project to deliver and sustain social, environmental, or economic impact, particularly on refugees and women and youth.
- Strength of the project's commercial viability (including consideration of price point of product/service if relevant) and sustainability.
- If needed, demonstrate potential to attract further commercial funding, beyond the grant provided by KKCF,
- Demonstrated capacity of the applicant's management team to implement the proposed business / project (adequate internal resources/capacity) - headquarters and in-country.
- Demonstrated understanding of the forced displacement context, gender issues and culture of Kakuma refugee camp and host community.
- Adherence to the blended finance principles.

Women and youth-owned/led businesses will be highly encouraged to apply.

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.