



# Investing in Women in the Blue Economy in Kenya (IIW-BEK)-SMEs Window

Women owned SMEs in Kenya's Blue Economy Value chains in the Lake Victoria and Indian Ocean Regions

**TERM SHEET FOR APPLICANTS**



In partnership with  
**Canada**



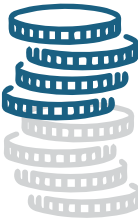
The Investing in Women the Blue Economy in Kenya (IIW-BEK) is a five-year, CAN \$9.7 million programme funded by Global Affairs Canada (GAC). Implemented by the AECF, whose goal is to enhance women's economic empowerment by promoting women and young women's participation in the traditional and non-traditional sectors of the blue economy. The programme objectives are to:

1. Support evidence-based programme interventions that support women's economic participation in non-traditional sectors of the blue economy.
2. Enhance private sector engagement of women as economic actors across the blue economy value chain.
3. Increase private and public sector investment in women and young women-owned Micro, Small, and Medium Enterprises (MSMEs).
4. Reduce systemic gender inequalities that hinder women's effective economic participation in the blue economy.

The following term sheet provides a general overview of Investing In Women in the Blue Economy in Kenya, the objective of the SMEs Window whose scope is grant financing to women and young women owned SMEs open to all counties in Kenya implemented in the Lake Victoria and Indian ocean regions. The round will have the following criteria.

**The SW competitive business challenge has the following objectives.**

- a. Enhance financial inclusivity for the women and young women-owned SMEs operating in Kenya's Blue Economy sector increasing access to credit, enabling market linkages, supply of inputs/ products/services along the value chain and creating employment.
- b. Provide targeted enterprise development services, and gender capacity and development support to SMEs.
- c. Advocate and increase awareness of the business case for investing in women in the Blue Economy in Kenya.
- d. Provide incentives for sustainable widespread adoption of climate-smart practices in Kenya's Blue Economy.

<b>Geography/ target group</b>	Women and young-women-owned SMEs that are commercially active in the respective sectors of Kenya's blue economy. The SMEs proposed value chain activities must be in one of the focus counties in the Lake Victoria and Indian Ocean regions. Those with linkages to women and young women-owned micro-enterprises will be preferred.
<b>Focus area</b>	Focus counties include Mombasa, Kwale, Kilifi, Tana River, Lamu, Taita Taveta, Busia, Siaya, Kisumu, Homabay and Migori.
<b>Sectors</b>	<ol style="list-style-type: none"> <li>a. Fisheries (deep sea /lake fishing, aquaculture, and mariculture),</li> <li>b. Productive use of renewable energy,</li> <li>c. Waste management (innovations on the conversion of waste to value),</li> <li>d. Biodiversity protection (marine and lake biodiversity protected areas),</li> <li>e. Tourism - provision of products and services for the tourism sector,</li> <li>f. Supply of inputs and services (e.g., access to finance, climate-smart technologies - aquatic blue food storage and transportation, market information etc.) and</li> <li>g. Social enterprises that reduce the burden of care for women and young women (e.g., day care child services).</li> </ol>
<b>Fund available</b>	<p>Applicants must submit a funding application justifying their funding requirements, including the funding amount and project duration. The funding should be used for a specific project in one or more target counties, such as introducing new services or products, scaling up an existing enterprise, or expanding to a new market. Funding options vary based on development stages:</p> <div style="display: flex; align-items: center;">  <div> <p>» Minimum fund award of <b>KSh 1,000,000</b></p> <p>» Maximum fund award of <b>KSh 50,000,000</b></p> </div> </div> <p>Funding will be provided as a performance-based grant in local currency. To be eligible for funding, applicants must meet the match funding criteria outlined in the matching contribution section. Businesses should apply for funding based on their development stage and capacity to handle the proposed project's funding. Funding disbursements will be milestone-based, with payments tied to mutually agreed-upon milestones. The first disbursement will not exceed 30% of the total awarded amount.</p>

<p><b>Eligible enterprises</b></p>	<p>IIW-BEK is targeting women and young women owned enterprises that will create sustainable operations that extend beyond the life of the five-year duration of the programme.</p> <p><b>To be eligible for funding, the business must meet the following criteria:</b></p> <ol style="list-style-type: none"> <li>Be legally registered as a for profit sole proprietorship, partnership or private limited company with activities aligned to the focus sectors. The businesses must be physically established in Kenya at the time of award and investment by AECF.</li> <li>If not a registered private limited company, the enterprise will be supported to undertake the registration as part of the disbursement milestones by AECF.</li> <li>The enterprise should produce business records (e.g., sale book, cash book) and financial records (e.g, bank statements, bank reconciliations, Mpesa till and/or pay bill etc.) for at least one (1) year, and a valid single business permit and valid tax compliance certificate.</li> <li>Request grant funding within the stipulated range and not more than 1.5 times the business turnover for the proposed implementation period. For example; If a business has an annual turnover of KSh 5,000,000, then the grant application should not exceed KSh 7,500,000 for a project duration of 12 months.</li> <li>Total grant funds requested from AECF must be between KSh 1,000,000 and KSh 50,000,000.</li> <li>Applicants can be financial service providers that meet the eligibility criteria and are offering affordable finance to women and young women owned enterprises and championing the do no harm principles.</li> <li>Request grant funding within the stipulated range.</li> <li>Be a for-profit enterprise that is aligned with the focus areas, i.e., geographical scope and sectors of focus.</li> <li>Demonstrate dominant female ownership (based on business ownership as well as their active decision making in the business) of the business and dominant representation of women employees, suppliers of raw materials, or distributors of products and/or services.</li> <li>The enterprise should produce business records (e.g. sale book, cash book) and financial records (e.g. bank statements, bank reconciliations, Mpesa till and/or paybill etc) for at least one (1) year, and a valid single business permit.</li> <li>Be able to show commitment to match AECF grant funding based on the ratios stated in matching contributions.</li> <li>Be compliant with fundamental laws and regulations in Kenya.</li> <li>Complete integrity due diligence checks conducted by AECF.</li> <li>Businesses not listed on the AECF exclusion list i.e., businesses supporting terrorism, production/trade of weapons, radioactive material, tobacco etc.</li> <li>Allow AECF regular due diligence and monitoring visits.</li> </ol>
<p><b>Selection Criteria</b></p>	<p><b>Each applicant will be evaluated and scored against the following criteria:</b></p> <ol style="list-style-type: none"> <li>Fulfilling the eligibility criteria.</li> <li>Demonstrated market demand of the business' products and/or services amongst rural community populations especially the poor and vulnerable, with a clear vision to achieve sustainability.</li> <li>Present a business proposition that clearly highlight the participation of women and young women as beneficiaries of the business activities.</li> <li>Entrepreneurs' ability - commitment and dedication of the key person providing leadership and direction on the business.</li> <li>Capacity of the project to deliver and sustain social impact, particularly on communities poor and vulnerable.</li> <li>Demonstrated capacity of the entrepreneur and team to implement the proposed business / project (adequate internal resources/capacity).</li> </ol>
<p><b>Matching Contribution</b></p>	<p>AECF will require matching contribution to the relevant award from the applicant to demonstrate interest and commitment. Funding provided must be matched on a grant to matching contribution ratio as follows:</p> <p>1:0.25 for funding amounts below KSh 5,000,000  1:0.5 for funding amounts above KSh 5,000,000 basis as a minimum.</p> <p>In-kind matching contributions will not be more than 50%. of total contributions.</p>

<p><b>Classification of additionality</b></p>	<p>A project is additional if it enables something to be achieved by the enterprise that would have ideally not been achieved without the subsidy offered by AECF:</p> <p><b>Faster:</b> Companies with prospects to invest their resources could be catalyzed by the funds provided under the IIW-BEK programme that would have ideally been delayed or lost. The funds allow for the proposed investments or enterprises to launch sooner and create transformational change quicker subsequently exposing the enterprise to attract additional investments.</p> <p><b>Bigger:</b> Companies with competing funding needs reducing the impact of investment would benefit from AECF funds that would be dedicated to development impact and market systems development.</p> <p><b>Wider scope:</b> Companies that are expected to invest in other sources to expand the scope of the goods and services geographically or to different groups of beneficiaries would utilize the AECF funds to multiply the development impact, participation, and recognition of effort in its development.</p> <p><b>More inclusive:</b> The company will be able to access people closer to the bottom of the pyramid than it would otherwise, enhancing the benefit of women. Women tend to be difficult and expensive to reach, requiring physical networks, smaller packages of goods with smaller profit margins (or none), longer repayment terms, actualized by irregular payment patterns, and or susceptible to greater payment default. Applicants should be able to demonstrate how the IIW-BEK funds will be used to cushion their enterprises from such operating environment risks.</p>
<p><b>Disbursement milestones/ requirements</b></p>	<p>The first disbursement is an advance payment, with subsequent disbursements contingent on verification of the use of the previous funds disbursed and meeting set milestones.</p> <p>Disbursements will be in Canadian Dollars (CAD) or Kenya Shillings (KSh).</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 to be eligible for each scheduled disbursement.</p>
<p><b>Additional support available</b></p>	<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 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><b>Technical assistance services include, but are not limited to:</b></p> <ol style="list-style-type: none"> <li>a. Pre-contract/preparatory technical assistance support in the form of marketing events to all interested applicants, providing information on the competition including the opportunity for funding and the competition process.</li> <li>b. Contracting technical assistance will be provided to enhance the understanding of business contracts and set expectations related to compliance of such; and</li> <li>c. Post-contract technical assistance provided in the AECF Advisory services to those beneficiaries awarded funding, throughout the duration of their engagement with IIW-BEK. Priority training subjects include the following: 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.</li> </ol>
<p><b>Required socio-economic impact</b></p>	<p>IIW-BEK will support increased economic activity in Lake Victoria and Indian Ocean regions that will boost the socio-economic inclusion of women and young women owned MSMEs, boost incomes and job creation for the rural poor and gradually facilitate economic development in the focus areas. Applicants must make it clear in their application how the enterprise will support local trade activities in supply of inputs and material and distribution of products and services thereby avoiding economic displacement.</p> <p>IIW-BEK will ensure that women and young women 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 young women into their business models and operations.</p>
<p><b>Commitments from selected applicants</b></p>	<ol style="list-style-type: none"> <li>a. Collaborate with AECF to establish contract milestones and Key Performance Indicators (KPIs) before signing the contract.</li> <li>b. Confidentially share data on performance against the agreed indicators and milestones.</li> <li>c. Gather, analyse, and share project learnings with AECF.</li> <li>d. Adhere to agreed reporting schedules and requirements.</li> <li>e. Participate in AECF/GAC annual program reviews.</li> <li>f. Make financial data and management systems available for audits upon request.</li> </ol>

<b>Application process</b>	Applicants must complete an online application form for the SMEs Window, which can be found on the website <a href="http://www.aecfafrica.org">www.aecfafrica.org</a> .  <b>Eligibility is based on a completed application form.</b>
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**This call for application is not binding upon The AECF and no legal right or obligation arises therefrom.**

The AECF reserves the right to determine the structure of the selection process, number of short-listed applicants, the right to withdraw from the process, the right to change timetables at any time without notice and reserves the right to withdraw this call for applications at any time, without prior notice and without incurring any liability to indemnify, compensate and/or reimburse any party whatsoever.

**The AECF does not charge an application fee for participation in the competition and has not appointed any agents or intermediaries to facilitate applications. Applicants are advised to reach out directly to the AECF.**

In case of any questions, feel free to reach out to the Investing in Women in the Blue Economy Kenya team by reaching out through [Blue-economykenya@aecfafrica.org](mailto:Blue-economykenya@aecfafrica.org)



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