



In partnership with
Canada



INVESTING IN WOMEN IN SOUTH SUDAN (IIW-SS)

Private Sector Business Window (PSBW)

Term Sheet for Applicants

- 1 The Private Sector Business Window (PSBW) is a component of the Investing in Women in South Sudan (IIW-SS) programme, a CAN \$12 million project funded by Global Affairs Canada (GAC). Implemented by the AECF, the programme seeks to enhance women's economic empowerment in the honey, sorghum, sesame, shea nut and groundnut value chains in South Sudan to increase incomes, reduce climate risks, and transform livelihoods. The primary beneficiaries are women in the agricultural value chains of focus.

The programme seeks to:

- 1) Reducing gender-specific barriers to women's participation in agricultural value chains.
- 2) Increasing adoption of gender-sensitive climate-smart agricultural practices.
- 3) Improving employment or livelihoods for women in agriculture and food systems.

Fund objectives

- a. Improve access to finance for enterprises owned/led by women and companies that create economic opportunities for women in rural areas, e.g., through employment creation, market linkages, suppliers of inputs/produce/services along the value chain.
- b. Provide targeted business development technical assistance and capacity building on gender mainstreaming for businesses.
- c. Advocate and increase awareness of the business case for investing in women.
- d. Provide incentives for sustainable widespread adoption of climate-smart practices – in production, post-harvest handling, processing, and marketing.

Duration of the programme

- 5 years (2021-2026)
- (Year 1 for inception and competition phase; Years 2 - 5 for implementation).

Total funds available under the PSBW

- CAN\$ 5,200,000 (US\$ 4,000,000)

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| 2 | Geographical focus | Funding available for:
Private sector companies and financial intermediaries that are commercially active in the respective value chains in South Sudan with demonstrated presence in Central and Eastern Equatoria States. |
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| 3 | Focus area | <p>Eligible businesses must demonstrate that their offerings are accessible and affordable, directly benefit women and encourage the adoption of climate-smart practices, products, or services. Offerings must add value to one or more focus value chains: honey, sorghum, sesame, shea nut and groundnut.</p> <p>Proposed initiatives must align with but not limited to one or more of the following focus areas to be eligible for funding:</p> <ul style="list-style-type: none"> ■ Market aggregators that provide reliable and new market opportunities for female smallholders to increase their profits and incomes. ■ Information and media companies providing market information services to female smallholder farmers through traditional and digital finance platforms. ■ Agro-processors and manufacturing companies creating economic opportunities for women through employment creation and as suppliers of produce/services along the value chain. |
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3 Focus area (Cont.)

- Financial service intermediaries providing innovative financing products and services for women in agribusiness.
- Production and distribution models that support local entrepreneurship and growth of SMEs, MFIs/local banks, and women groups within the applicable value chains' product demand and supply chain.
- Business models that provide incentives for women to access and adopt improved input use, including seed, fertilizer, soil and water management practices, post-harvest handling, improved technology, e.g., Langstroth hives, irrigation, regenerative agriculture, integrated forestry management practices, etc.
- Business models that address climate-smart technology, services, and practices at the manufacturing and farm levels, e.g., solar-powered technology, biogas, bio-slurry use, chemical-free grain storage, etc.

Note: Solutions that integrate entire value chain solutions (e.g., from farm to fork) will be preferred.

4 Desired socio- economic Impact

Business models must demonstrate how they deliver and sustain social impact in their target markets. Specifically, this means the number of households served by the product, service or a combination of both, improvements in people's income, inclusivity of women, stimulation of market growth, and engagement of SMEs in the respective value chains in Central and Eastern Equatoria states. The specific focus must be made on gender inclusivity.

Companies should articulate their strategy to meet the following:

- Include women and youth in the ownership and management of the organization.
- Gender-inclusive practices in their operations (e.g., women-centered design).
- Demonstrable benefits to women in terms of increased time availability for other activities, improved health, reduced drudgery and increased household budgets.
- Women-led supply chains; demonstrate the possible engagement of women and youth as key actors within the supply chain and potential opportunities for such women-led products/ service supply activities to grow into SMEs.
- Qualitative indicators around women and youth empowerment (e.g., ability to own assets; access to credit, use of existing women development structures to increase access to solar home systems in the rural and peri-urban communities).
- Demonstrate a clear end-user financing mechanism/strategy that enables target communities with low/irregular incomes to access improved climate-smart technology, practices, and services.
- Projects must be environmentally friendly. Environmental impact assessments and mitigation measures approved by pertinent regulatory authorities must be obtained.
- Throughout the funding life, companies must demonstrate that they promote sustainable development outcomes in their target communities and market.

Progress in attaining the above will be measured through:

- Number of farmers and groups accessing climate-smart agriculture technologies and practices.
- The volume of agricultural commodities bought from women in CAN\$ or US\$.
- The volume of agricultural inputs sold to women in metric tons.
- Number of women-focused eligible applicants expanding businesses.

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- 5 Type of support available**
- The support package includes:
- **Business to business (B2B)** matchmaking to promote the exchange of learnings and business interventions with a high social and economic development impact, particularly on rural and peri-urban women.
 - **Provision of targeted technical assistance** on business development services as required by the investee through the AECF Advisory Studio.
 - **Gender mainstreaming incentives**, e.g., top-up funding where applicable, which reward investees that make significant changes to their processes to be gender-responsive and create increased opportunities for women along the value chain.
 - **Access to further funding** through our partnerships, including via AECF Connect.
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- 6 Funds available**
- Applicants are expected to submit a funding application, justifying their requirements for the business and/ or idea to be funded, the funding amount and the project duration.
- Funding must be used for a specific project in one or more of the four target countries, e.g., introducing new services or products, scaling up an existing enterprise or replication/expanding to a new market. Investees can apply for a range of funding depending on their development stages:
- **Minimum fund award CAN \$ 65,000 (US\$ 50,000)**
 - **Maximum fund award CAN \$ 975,000 (US\$ 750,000)**
- Funding is subject to meeting a certain level of match funding (see Matching Contribution). Businesses should apply for funding depending on their development stage and capacity to absorb funding for the proposed project. Funding will be in the form of non-repayable grants and will be disbursed in US dollars.
- Funding payments will be milestone based, where disbursements are based on mutually agreed milestones that must be achieved/delivered. The first disbursement will not exceed 50% of the total amount awarded.
- Duration of the funding agreement: 3-4 years**
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- 7 Matching contributions**
- IIW-SS requires a matching contribution from the applicant to demonstrate interest and trust from the wider investor community. Acceptance of match funding is subject to approval by the Programme Manager. The PSBW match funding requirements are:
- Matching contribution: 25% of the requested amount
 - At least 50% in cash and 50% in-kind
- In cash**
- Where at least one other party (e.g., venture capital firm, impact investor, incubator/accelerator, foundation, or the founder) agrees to provide funding to the IIW-SS funding applicant. Evidence accepted includes a signed MoU or contract, a bank statement, and a letter confirming the total amount disbursed or to be disbursed by the other party. The submitted documents to the Fund of matching commitments must include all conditions, timescales, and any other considerations.
- Examples include:
- Investment funding (equity finance)
 - Impact investment
 - Crowdfunding
 - Grants (from governments, foundations, or NGOs).

7 Matching contributions (Cont.)

In-kind

In-kind match includes any significant and quantifiable contribution to the project that is not financial. Applicants must quantify and demonstrate what results in any match given in-kind will achieve for the proposed project.

In cases where in-kind matching is offered, PSBW will discuss with the applicant how best to agree on the match funding commitment and valuation. For example, a contractual agreement of support from a local incubator (providing the equivalent monetary value of the service).

Examples include:

- Use of goods, services, and facilities (such as software).
- Management time.
- Provision and access to equipment.
- Special materials.
- Technical assistance.

8 Eligible companies To be eligible for funding, private sector companies must meet the following criteria:

- Be a private sector enterprise that is aligned with the focus areas, i.e., geographical scope and value chains of focus.
- Be able to show commitment to match AECF funding based on the ratios stated in matching contributions (as noted in Section 7 above).
- Request funds amount within the stipulated amounts. Note that this is a full grant.
- Be compliant with fundamental laws and regulations in-country, including tax compliance laws.
- Be compliant with international human rights, labor standards, and environmental management laws.
- Demonstrate dominant representation of women as owners of the business, employees, suppliers of raw materials, or distributors of products or services
- Be legally registered and physically established in South Sudan and must have operated for a period of no less than two (2) full accounting years at the time of application. Must not have received a grant six (6) months prior to the application time.
- NOT be involved in any act of corruption. AECF requires that the applicant (including its staff, contractors, and suppliers) not be involved in offering third parties, or seeking, accepting, or being promised by third parties, for themselves or any other party any gift, remuneration, compensation, or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice.)
- NOT be associated with prohibited activities by the government of South Sudan, terrorism, money laundering, or a list that prohibits trading with some business (IFC, USAID, UN, EU, and any other networks), United Nations Security Council resolutions issued under Chapter VII of the UN Charter. The screening will be conducted for all applicants and associated parties against provisions such as <https://sanctionssearch.ofac.treas.gov/>, www.worldbank.org/debarr World-Check, EU sanctions list, etc.
- Allow regular due diligence.
- Demonstrate additionality; see **broad view guide in text box 11 below**.

- 9 **Selection criteria** Each applicant will be evaluated and scored against the following criteria:
- Outline a commercially sustainable business model. The proposal must be technically sound and be aligned with the activities described in Section No. 3 (Focus area) above. It should spell out how performance is measured and evaluated with all agreed-upon indicators, targets, and milestones.
 - Must demonstrate a satisfactory performance record of the entrepreneur, technical person (s), or business. Where available, testimonials of past performance should be submitted.
 - The proposal must include the CV of key personnel with the education and experience required for the technical nature of the proposed project.
 - The proposal must indicate the methods and degree of coordination with local administration and participating communities.
 - Have a product that is certified in line with global standardization procedures and/ or supplied by a certified product manufacturer, clearly marked as an acceptable quality of a product.
 - For existing companies, provide a track record of earning revenues from their users for existing product/service/demonstrated success in at least one market.
 - For existing companies, demonstrate sound financial health, including two years of audited financial accounts, established financial management processes and procedures and dedicated financial management staff – headquarter and in-country.
 - Demonstrate investment relationships/ potential to access matching funds (based on an agreed country-specific ratio), leveraging additional and follow-on funding.
 - Demonstrate the capacity of the management team to implement the proposed business/ project (adequate internal resources/capacity) - at headquarter and in-country.
 - Demonstrate understanding of the country context and culture where the project is proposing to operate.
 - Demonstrate how the business model will deliver and sustain social impact in the target markets (See Section 4), i.e., demonstrate how to leverage AECF funding to secure commercial funding.
 - In their business proposals, companies MUST describe their environmental impact and waste management policy and procedures and demonstrate alignment to the global and respective national environmental management regulations. Investees are expected to provide an outline of potential wastes in the value/ supply chains and how they intend to manage these.
 - Demonstrate how gender analysis has informed the product/service design and how it will impact the project.
 - Demonstrate how matching funds are to be made available, indicating details of when the cash will be available.
 - Indicate any risks and threats to project implementation and methods that would be used to mitigate such risks.
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- 10 **Investment principles** This section defines the basis of making funding decisions. The AECF investment principles will guide the investment decisions. These principles shall be applied in evaluating project ideas and making final award decisions.

10 Investment principles (Cont.)

Investment principles

- a. Private sector demand-driven: IIW-SS is demand-driven and harnesses private sector initiative and implementation capacity to achieve pro-poor economic and social outcomes.
- b. High impact models: IIW-SS projects must illustrate that they are of high social impact on key impact indicators as explained in the M&E Framework.
- c. Systemic change: the funded projects must illustrate the potential for pro-poor economic and social impact beyond their immediate Project impact, which will change the way the market works.
- d. Address market failure or otherwise demonstrate additionality: The IIW-SS funds projects constrained by market failure for access to finance within the context of the specific markets within which they are to be implemented.
- e. Risk sharing: IIW-SS shares risk with private firms. The underlying principle is that the fund recipients have more at risk in the venture than in the program. For practical purposes, recipient companies make financial contributions to the projects/businesses funded by the program as this maximizes resource mobilization and applicant commitment to successful implementation. Companies' financial contributions can be in the form of equity finance (external or shareholder equity injections), commercial or concessionary loans, and/or grants from other funding sources.
- f. Competition: the IIW-SS application process and term sheets are available in the public domain to ensure that all eligible organizations have equal opportunity to compete for the available funds and ensure transparency.
- g. Portfolio approach: The IIW-SS program seeks to build a portfolio of investments that is diversified in terms of risk, sector distribution, and economic, social, and market impact.
- h. Additionality: the funded projects seek to create social and economic benefits that would not have been attained without this support.

11 Classification of additionality

While we recognize that additionality is context-specific (e.g., geography, sector, etc.), below is a description of our broad check of it:

- **Faster:** The company could be expected to invest in other sources in several years to come, meaning development impact is delayed or lost. IIW-SS can be used to enable the proposed investment/business to launch sooner, create transformational change quicker and expose the business to attract additional investments.
- **Bigger:** The company could be expected to invest in other sources, but it would not be as large as IIW-SS funding, thus enabling scaling multiples of the development impact and market systems development.
- **Wider scope:** The company could be expected to invest in other sources, but AECF resources will enable it to expand the scope of the goods or services geographically or to different groups of beneficiaries to multiply the development impact, participation, and recognition of effort into its development.
- **More inclusive:** 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/ companies should be able to demonstrate how IIW-SS funds will be used to cushion their businesses from such operating environment risks.

12 **Commitments
from successful
investees**

If selected, applicants must be committed to:

- Collaborate with AECF to finalize contract milestones and Key Performance Indicators. Indicators and milestones are agreed upon with AECF before signing the contract.
- Share data, including performance against indicators and milestones. All data will be treated confidentially unless otherwise agreed in advance.
- Gather, analyze, and share learnings from the project with AECF.
- Report according to agreed schedules and requirements.
- Participate in AECF/GAC annual program reviews.
- Ensure financial data and other management systems are accessible for audit purposes upon request.

13 **How to apply**

One-step application process:

- Applicants are required to complete a Private Sector Business Window online application form available on the website www.aecfafrica.org
- Eligibility is based on a completed online form, including a full proposal (business plan).

This call for application is not binding upon The AECF and no legal right or obligations 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

West End Towers, Kanjata Road
Off Muthangari Drive / Waiyaki Way
Nairobi, Kenya

T: +254-111-035-000 | E: info@aecfafrica.org

www.aecfafrica.org