



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

Women in the Blue Economy Enterprise (WBEE) Window Round II

PROGRAMME INFORMATION - TERM SHEET FOR APPLICANTS



In partnership with
Canada



Introduction

Global Affairs Canada (GAC) has dedicated a total of CAN \$ 9.7m through the Africa Enterprise Challenge Fund (AECF) to catalyze the Blue Economy sector in the Republic of Kenya.

The project seeks to contribute to economic empowerment of women enterprises, their suppliers, and producers along key supply chains where women are discriminated against in the Blue Economy in Kenya.

The objective of IIW-BEK is to:

- i. Support evidence-based programme interventions that support women's economic participation in the non-traditional sectors of the blue economy.
- ii. Enhance private sector engagement of women as economic actors in the blue economy sector.
- iii. Increase private and public sector investment in women and young women-owned Micro, Small, and Medium Enterprises (MSMEs).

- iv. Reduce systemic gender inequalities that hinder women's effective economic participation.

1.1 Objectives of the Women in the Blue Economy Enterprise (WBEE) Window:

- » Enhance financial inclusivity for the women and young women medium-sized enterprises operating within the blue economy sector increasing access to credit, enabling market linkages, supply of inputs, products, services along the value chain and creating employment.
- » Provide targeted enterprise development technical assistance and capacity building on gender mainstreaming for enterprises.
- » Advocate and increase awareness of the business case for investing in women in the blue economy in Kenya.
- » Provide incentives for sustainable widespread adoption of climate-smart practices in Kenya's blue economy.

Programme Duration

5 YEARS

Fund size: between US\$ 50,000 and US\$ 400,000

02

Geography





Counties of focus: **Kwale, Mombasa, Kilifi, Tana River, Lamu, Taita Taveta, Busia, Siaya, Kisumu, Homabay and Migori**

The WBEE funding window is available for commercial private sector enterprises that economically empower women and young women in the Blue Economy across the Republic of Kenya, both at early and growth stages.

Enterprises proposing project ideas to be implemented must demonstrate upstream or downstream supply chain linkages to 11 counties in the Lake Victoria basin and Indian Ocean Regions.

03 Focus Sectors

Sectors	Example of opportunities
 Fisheries	<ul style="list-style-type: none"> Investments in equipment and technologies for capture/wild fisheries targeting catches for premium markets. <p>Fishing nets Electric powered boats Fishing bait Fishing boats Fishing boat finance Fishing boat insurance/protection</p> <ul style="list-style-type: none"> Innovations in food production systems in aquaculture and mariculture. Innovations in non-food production systems in aquaculture and mariculture (e.g., marine biotech – seaweed). <p>Innovations in processing and value addition products from fish and fish by-products e.g., fish maws, fish frames, skins, scales, viscera, fish pads, etc.</p>
 Productive use of renewable energy	<ul style="list-style-type: none"> Complementary to three pillars: renewable energy, sustainable transportation, and energy efficiency, e.g., small wind turbines, hydrokinetic turbine systems, e-mobility, solar micro and mini-grids, e.g., for mini-processing facilities, desalination plants, marine transportation, cold rooms etc.
 Waste management	<ul style="list-style-type: none"> Investments and innovations geared at providing large-scale solutions to waste management and conversion of waste to value. Focus on solid and liquid waste management.

Sectors	Example of opportunities
 Biodiversity protection (marine and lake biodiversity protected areas),	<ul style="list-style-type: none"> Investments and innovations including High Conservation Value (HCV) approach e.g., wetland management, mangrove protection, mangrove-based crustacean breeding, and harvesting, etc. – water hyacinth beneficiation – fertilizer development, nutrient extraction Natural capital financing – replanting of mangroves forest, sea grass ... Carbon finance e.g., carbon credits, innovations for carbon verification,
 Tourism - provision of products and services to the tourism sector	<ul style="list-style-type: none"> Fast food (seafood/aquatic food based) Kiosks (seafood aquatic food based) Sales and services to the hotel industry, Crafts Eco-tourism and marine tourism linked to conservation
 Supply of inputs and services (e.g., access to finance, climate-smart technologies - aquatic blue food storage and transportation, market information etc)	<ul style="list-style-type: none"> Electronic/technology platform services (markets, finance, technology, and knowledge) linking wholesalers and exporters to the branded products of women and young women owned MSMEs e.g., e-commerce. Provision of products and services that reduce post-harvest losses e.g., cold chain services <p>Seafood transportation service Seafood storage service Aquatic (blue) food transportation service Aquatic (blue) food storage service</p>
 Social enterprises that reduce the burden of care for women and young women (e.g., day-care child services)	<ul style="list-style-type: none"> Commercial childcare services (daycare) Bundled health access, social protection and financial products and services

04 Eligible Companies

Applicants showing a willingness to participate in the competition for grant funding must abide by the following eligibility criteria:

- Be legally registered as a for profit private sector enterprise with activities aligned to the focus sectors and with capacity to work with small and micro enterprises in the geographical scope. The businesses must be physically established in Kenya at the time of award and investment by AECF.

Enterprises with a majority female ownership and a dominant representation of women employees, suppliers of raw materials,

- or distributors of goods.

The company should produce audited accounts for at least two (2) years (these could be from the parent company, if recently

- established as a branch or subsidiary in Kenya).

The window targets enterprises which have a minimum annual turnover of US\$100,000. Promising enterprises that do not meet

- the minimum turnover threshold will be considered on a case by case basis.

Be able to show commitment to match AECF's funding based on the ratios stated in the matching contributions arrangement

- highlighted in the matching fund's section above.

Request the grant funding within the stipulated time and funding range provided.

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- Be compliant with the fundamental laws and regulations of Kenya, including tax, regulatory, health and safety, and human resource compliance laws.
- Comply with the applicable international human rights, labour standards, and environmental management laws as expressed in the International Bill of Human Rights and the core labour standards established through the International Labour Organizations.
- Demonstrate commitment to gender equality and the empowerment of women and young women while conducting business.
- **MUST 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.
- **MUST NOT** be involved in any act of terrorism or support terrorists' activities. The business will comply with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders. The business should have a duty of care to ensure they are not dealing with suppliers on debarment, suspension, exclusion and anti-terrorism on its suppliers, consultants and staff.
- Allow AECF regular due diligence and monitoring visits.
- Demonstrate additionality; see broad view guide in section 10.

05 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 women's income, inclusivity of women, stimulation of market growth, and engagement of women and young women-owned micro, small and medium enterprises (MSMEs) in the respective value chains or sectors of Kenya's Blue Economy.

Companies should articulate their strategy to meet the following:

- » Include women and young women in the management of the organization.
- » Gender-inclusive practices in their operations (e.g., women-centered design and collection of gendered data).
- » Demonstrable benefits to women in terms of increased time available for other activities, improved health, reduced drudgery, and increased household spending power.
- » Women-led supply chains; demonstrate the engagement of women and young women micro and small enterprises as key actors within the supply chain and potential opportunities for such women-led product or service supply activities to grow into SMEs.
- » Qualitative indicators around women and young empowerment (e.g., ability to own assets; access to credit, use of existing women development structures to increase access to climate-smart technologies in the rural and peri-urban communities).
- » Demonstrate a clear end-user financing mechanism or strategy that enables target communities with low and 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 new jobs created by the enterprise (60% for women).
- » The volume of blue economy products or services bought from women and young women MSMEs in US\$.
- » The volume of inputs and or services sold to women and young women MSMEs.
- » Number of poor and vulnerable people reached through awareness programming on social norms, by-products, and services.
- » Number of eligible women and young women-owned medium sized enterprises expanding businesses.

06

Type of support available

Shortlisted applicants and grantee investees will be able to access AECF's support package which includes:

- Provision of targeted pre-investment technical assistance on business development services as required by the investee through the AECF Advisory Studio.
- Assist in investment facilitation services that enable the enterprise to access follow on funding from other capital providers.
- Create market linkages that provide access to climate-smart technologies to enhance the sustainability of business models
- Create pathways for market access through B2B linkages, product development advisory services, facilitation of the certification process and involvement in trade fairs among others.
- Gender equality and social inclusion 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, develop policies and practices in response to their gender focus and monitor progress milestones.

07

Funds Available



Total grant funds requested from AECF must be between US\$ 50,000 and US\$ 400,000.



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 target counties, e.g., introducing new services or products, scaling up an existing enterprise or replication or expanding to a new market. Investees can apply for a range of funding depending on their development stages.



Funding will be in the form of performance-based grants. Funding is subject to meeting match funding criteria (see the section on Matching Contribution). Businesses should apply for funding depending on their development stage and capacity to absorb funding for the proposed project.



Funding payments will be milestone based, where disbursements are based on mutually agreed milestones that must be achieved. The first disbursement will not exceed 30% of the total amount awarded.



Duration of the funding agreement: up to November 2026.

08 Matching Contributions

AECF will require matching funds to the relevant award from the applicant to demonstrate interest and commitment. Funding provided must be matched on a grant: matching contribution ratio of 1:0.5 basis as a minimum requirement.

WBEE – Window: grant: matching contribution ratio 1:0.5 basis as a minimum requirement

The contributions provided by the enterprise should be at least 50% in cash with up to 50% in kind. Matching contributions can be made either all in cash or a combination of ‘in cash’ and or ‘in kind’ as highlighted:

Type of company contribution	Example of Matching Funds	Pricing & Valuation of Acceptable Verification
Cash investment (third party or lead company)		Letter of intent at the business plan stage followed by bank statements showing cash investment when it is forecast to be made available to the enterprise. If the cash investment is made before the contracting date, audited financial statements are accepted as proof of cash investment.
Bank facility	For bank facilities and facilities provided by other institutions, the balance counted as matching funds is the total available facility.	Letter of intent at business plan stage followed by loan agreement or overdraft agreement at contracting stage or when it is forecast to be made available to the enterprise.
Before contracting assets		Independent valuation of assets over the US \$10,000 at the business plan stage followed by documentation on the transfer of title at the contracting stage.
In-kind assets (third party or lead company)		Independent valuation of assets over US \$10,000 and documentation on the transfer of title or usage when the asset is made available to the business.
In-kind time (third party or lead company)		Valuation of time or advice by investee at business plan stage, supported by in-kind schedules presented in each progress report.
Facilities provided by other institutions (e.g., contracts, supplier credit or loans)		Letter of intent at the business plan stage followed by an agreement with the institution at the contracting stage or when it is forecast to be made available to the business.
Reinvested profits		This will be verified by forecasts in the business plan stage and by the audited financial statements every year.
Land		Independent valuation of land and documentation of title when the asset is made available to the enterprise.

09

Selection Criteria

Each enterprise will be evaluated and scored against the following criteria:

- Demonstrate how gender analysis¹ has informed the product and or service design and how it will impact the project.
- The company must demonstrate that the women and young women are active participants in the decision-making and operations of the business as stipulated in Section 4.
- Outline a commercially sustainable business model with the proposal showcasing a technically sound business aligned with the activities described in Section 3 (focus sectors) above. It should spell out how performance is measured and evaluated with all agreed-upon indicators, targets, and milestones.
- Demonstrate a track record of earning revenues from their users for existing products and or service demonstrating success in at least one market.
- Must demonstrate a satisfactory performance record of the entrepreneur, technical person (s), or enterprise. Where available, testimonials of past performance should be submitted.
- Demonstrate the capacity of the management team to implement the proposed business project (adequate internal resources and capacity) - at headquarter and in-country.
- The proposal must include the Curriculum Vitae (CVs) of key personnel clearly outlining the educational and work experience to accomplish the technical nature of the proposed project.
- The proposal must also indicate the methods and degree of coordination with local administration and participating communities.
- The product or services provided must be certified or in the process of being certified in line with global standardization procedures and or supplied by a certified product manufacturer, clearly marked as an acceptable quality of the product.
- Demonstrate investment relationships or potential to access matching funds (based on the agreed ratio), leveraging additional and follow-on funding.
- Demonstrate how matching funds are to be made available, indicating details of when the cash will be available.
- 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 i.e., demonstrate how to leverage AECF funding to secure commercial funding.
- All business proposal must include where available or indicate the plans to make available environmental impact and waste management policy and procedures in alignment to environmental management regulations. Investees are expected to provide an outline of potential wastes in the supply chains and how they intend to manage these.
- Indicate any risks and threats to project implementation and methods that would be used to mitigate such risks.

¹ Guide to conducting a gender analysis <https://www.technoserve.org/wp-content/uploads/2022/04/Conducting-a-Gender-Analysis-ENG.pdf>

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Classification of Additionality

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:

- **Faster:** 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.
- **Bigger:** 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.
- **Wider scope:** 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.
- **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 should be able to demonstrate how the IIW-BEK funds will be used to cushion their enterprises from such operating environment risks.

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Commitments from selected applicants

Successful enterprises would need to commit to:

- Work closely with AECF to finalize the contract milestones and Key Performance Indicators (KPIs) which will be enforced once the contract is signed.
- Provide the necessary data and information about the overall performance of the enterprise against the milestones and indicators. All data and information provided will be treated with utmost confidentiality unless otherwise stated before signing the contract.
- Timely report the enterprise milestones progress and achievements based on the agreed schedules.
- Voluntarily issue the financial data and other management systems for audit purposes.
- Actively participate in the AECF and GAC's annual programme reviews.

How to Apply

TWO-STEP APPLICATION PROCESS

1

Step 1 (Concept Note)

Eligible companies complete concept note online on the AECF website which is reviewed against the WBEE window requirements. Successful companies move to step 2

2

Step 2 (Business Plan)

Award stage based on IIW-BEK business plan

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.



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