

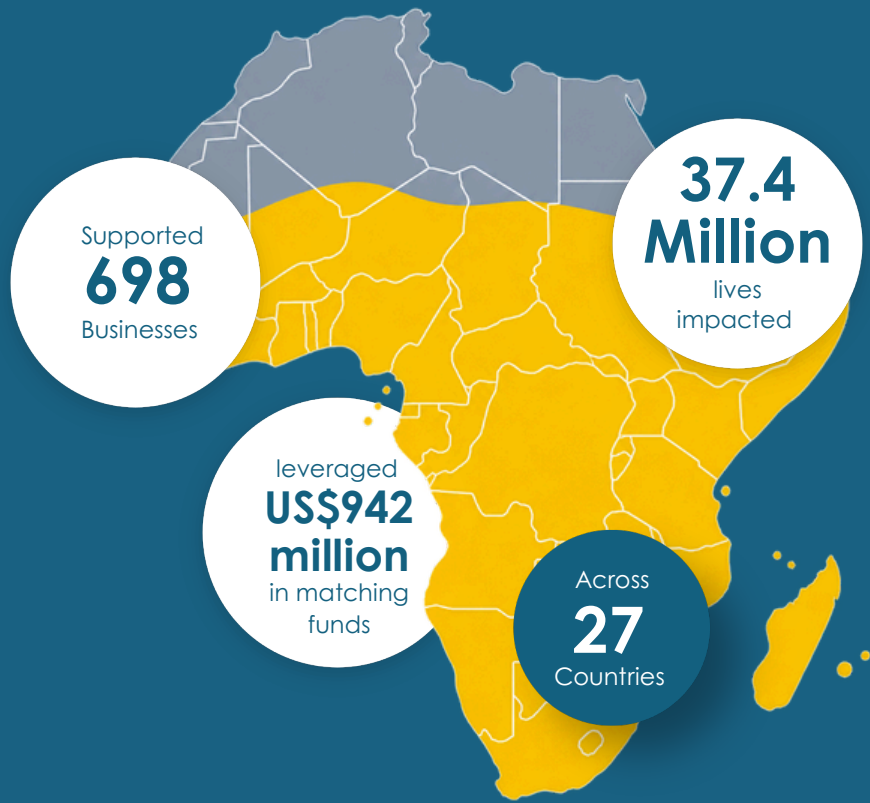


PROGRAMME BRIEF

Sudan SME Catalyser Programme Phase II

KFW





About AECF

AECF (Africa Enterprise Challenge Fund) is a leading non-profit development organisation supporting innovative agribusiness and renewable energy enterprises to reduce rural poverty, promote resilient communities, and create jobs. We catalyse the private sector by surfacing and commercialising new ideas, business models, and technologies designed to increase agricultural productivity, improve farmer incomes, expand clean energy access, reduce greenhouse gas emissions, and improve resilience to the effects of climate change.

We finance high-risk businesses that struggle to access commercial funding. We are committed to working in frontier markets, fragile contexts, and high-risk economies where few mainstream financing institutions dare to go. Over **17 years**, we have supported **698 businesses** in **27 countries** in Sub-Saharan Africa, impacted more than **37.4 million** lives, and leveraged **US\$942 million** in matching funds.

Programme Overview

The Sudan SME Catalyser programme is funded by KFW (German Development Bank) and implemented by the Africa Enterprise Challenge Fund (AECF). The second phase of the Programme aims to support established enterprises with the potential to localize the production of goods and services procured by humanitarian organizations in Sudan.

The programme provides both investment and technical support to SMEs to scale up production of the locally needed goods and services for humanitarian response. The Programme will support established SMEs operating in areas of the country not directly affected by conflict, as well as recovery-region enterprises and SMEs that have relocated from areas impacted by fighting.

The Programme seeks to improve the availability of locally manufactured goods and locally provided services, while contributing to increased local employment and incomes.



Programme Details



Focus Area

Agribusiness, Renewable Energy, WASH, and products and services procured by humanitarian organizations.



Duration

2 Years (October 2026 to September 2028).



Country

Sudan



Budget

€11,000,000



Funding Partner

KfW



Implementing Partner

AECF



Programme Objectives

The Sudan SME Catalyser Phase II programme seeks to support established enterprises that have the potential to localise production of goods and services procured by multilateral donors in Sudan, but who need investment support to be able to do so.

The programme will focus four major objectives:



01
Improve access to finance for enterprises that produce goods and services in Sudan for humanitarian and development partners.



02
Provide targeted business development technical assistance and capacity building to strengthen SMEs' internal operations.



03
Improve the availability of Goods & Services produced locally & required by the humanitarian organisations.



04
Create jobs and income opportunities for local communities.

Type of Support Available

Applicants are expected to submit a short funding application with their concept, justifying their requirements for the business and/or idea to be funded, the funding amount and the project duration. Shortlisted applicants will be supported to develop a comprehensive financial model.

SUPPORT PACKAGE

**EUR 250,000 –
1,500,000**

Provision of non-repayable grants from EUR 250,000 to EUR 1,500,000 per SME.

SUPPORT PACKAGE

**Technical
assistance**

Provision of targeted technical assistance on business development services as required by the grantee.

MATCH FUNDING REQUIREMENTS

25%

Matching contribution: 25% of the requested amount (At least 20% in cash and 80% in-kind) are required from the Applicants/SMEs.

Focus Sectors

Proposed initiatives can include, but are not limited to, one or more of the following focus areas to be eligible for funding:



Manufacturers of essential goods and services prioritized by humanitarian and development partners in Sudan, including food, hygiene, water, transport, storage, education supplies, and quality assurance.



Processors and manufacturers must show they create economic opportunities through job creation and by supplying goods or services within their value chain.



Production and distribution models that support local entrepreneurship and growth of SMEs.



Any SME/company that buys produce from the farmers/fisheries and supplies to humanitarian organizations, or is willing to supply to IDP camps.



Eligibility

Eligible businesses must show they currently engage or plan to engage with humanitarian and development partners through procurement process.

Products must be locally produced in Sudan; imported goods are not eligible.

Desired Socio-Economic Impact

Business models must demonstrate how they deliver and sustain social impact through working with humanitarian and development partners, specifically, this means:



Number of households served by the product and services.



Improvements in people's income.



Inclusivity of women and youth.



Stimulation of market growth.



Development of respective value chains across states.



Employment and increasing the livelihoods of people and communities.



SMES Should Demonstrate



Committed founders to the operations of the business



Demonstrable benefits to the local community in terms of increased access to products and services, and increased income



Demonstrated economic development and potential improvement of the livelihoods of people and communities



Projects must be environmentally friendly. Where necessary, environmental impact assessments and mitigation measures approved by pertinent regulatory authorities must be obtained

The progress will be measured through:



Number of beneficiaries who could access goods and services with the investment made



Number of jobs created and created after the investment.



Improvement in income for end beneficiaries selling to or buying from grantees.



Where applicable, the environmental benefits of reduced CO₂ emissions and MWh of renewable energy installed.



Improvement of business operations - revenue and profitability

Investment Principles



Private sector demand-driven

SCF is demand-driven and harnesses private sector initiative and implementation capacity to achieve economic and social outcomes.



Address market failure or otherwise demonstrate additionality

The SCF funds projects constrained by market failure for access to finance within the context of the specific markets within which they are to be implemented.



Competition

The SCF application process and term sheets are available in the public domain to ensure that all eligible SMEs have equal opportunity to compete for the available funds and ensure transparency.



Systemic Change

The funded projects must illustrate the potential for economic and social impact beyond their immediate Project impact, which will change the way the market works.



Risk Sharing

The SCF shares risk with private firms, requiring recipients to contribute financially to their projects. Companies are expected to have more at stake than the Programme itself, with contributions such as equity, loans, or grants from other sources to strengthen commitment and ensure successful implementation.



Portfolio approach

The SCF seeks to build a portfolio of investments that is diversified in terms of risk, sector distribution, and economic, social, and market impact.

Expected Results



15

Up to 15 **SMEs** funded and capacitated.



30,000

30,000 households and smallholder farmers directly supported and benefiting from the programme.



180,000

household members benefiting from the programme.



500

500 direct jobs created by supported SMEs.



EUR 1.5M

private-sector funding leveraged



Delivery Approach

The Sudan SME Catalyser Phase II will use a competitive and transparent selection process to identify qualified SMEs that locally produce goods and services procured by humanitarian organisations in Sudan and support smallholder farmers.



Contribution to SDGs

The Sudan Catalyser Programme contributes to 2030 Agenda, with a primary focus on SDG 1, 2, 3, 4, 5, 6, 7, 8, 10, 13 and 17 on poverty eradication, ending hunger, providing quality education, promoting gender equality, provide clean water for all, access to energy for all, promoting inclusive economic growth, promoting equality, combating climate change and partnerships for the goals, respectively.



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