Sudan SME Catalyser Programme Phase II Frequently

Asked Questions (FAQ)

Programme and eligibility

1. What is the programme and what does Phase II focus on?

The Sudan SME Catalyser Programme Phase II is a EUR 11 million facility funded by BMZ through KfW and implemented by AECF. It supports businesses that produce goods or provide services locally for humanitarian and development buyers in Sudan. Phase II places particular emphasis on local production, local procurement, jobs and household incomes.

2. What support is available and how long does it last?

Selected companies can receive a non-repayable grant of EUR 250,000 to EUR 1,500,000, together with technical assistance tailored to their needs. Each funding agreement lasts 12 months. The overall programme runs from October 2026 to September 2028. Request an amount justified by the investment need, the company's financial performance and its capacity to implement the project.

3. Who can apply?

Applicants must be legally registered, for-profit businesses physically established in Sudan. The form includes private limited companies, partnerships, sole proprietorships and for-profit cooperatives. A non-profit association or women's centre cannot apply on behalf of its members; a qualifying registered producer business may apply. Applicants must meet tax, labour, environmental and integrity requirements and pass ownership and compliance checks. Government-owned, partially government-owned and other prohibited government-linked entities are excluded under the term sheet.

4. Can businesses anywhere in Sudan apply, including conflict-affected areas?

Yes. Projects may be in any area of Sudan, including conflict-affected areas, if they can demonstrate feasible implementation, operation, verification, and monitoring, subject to approval. Priority areas are Eastern Sudan, including Red Sea, Kassala and Gedaref, together with Khartoum and Darfur. Businesses elsewhere, including Northern State and River Nile, may also apply. Explain security, access and operational risks and how they will be managed.

5. Can a young business or a business with no sales apply?

A company with less than two full accounting years may apply and be reviewed, but it must have made sales and demonstrate proven profitability. A company that has never made sales is not eligible, even if it owns land, a factory or equipment. The founders' previous experience cannot replace the company's own commercial record. There is no fixed minimum annual turnover. More established businesses will generally be more competitive.

6. Can a business that stopped because of the war apply to restart?

Yes. A previously operational business may apply to restart. It must explain the interruption, provide evidence of its previous operations and present a feasible restart plan. A business that has remained closed since 2023 must explain why it has not resumed by late 2026, describe any restart attempts and show why the proposed investment can now be implemented.

7. Which financial records are required?

The application requires audited statements for the last two completed financial years and management accounts for the current year. It also asks for a financial summary for the last three financial years. For a company with a December year-end applying in 2026, this normally means 2024 and 2025 audited statements, 2026 management accounts and a summary for 2023 to 2025. Use the company's actual financial year-end.

8. What if a company is too young to have two years of audits or lost records during the war?

Audited statements for previous completed years remain required. Explain any missing statements and submit the available financial information with supporting evidence. For lost records, this may include management accounts backed by contracts, transaction records, archived or cloud documents, and other credible evidence. AECF will review the justification. Management accounts do not automatically replace audits, and being a young or war-affected business does not automatically grant a waiver.

9. Can companies apply together or use subcontractors?

Separate companies cannot submit one joint application under an MoU or consortium. Each must apply separately, or they must be legally merged into one qualifying business. A company may have another company as a shareholder, with ownership disclosed. AECF contracts one grantee for one project. The grantee may engage suppliers, service providers and subcontractors for implementation and remain responsible for delivery.

10. Can one company submit several proposals?

Yes, but the company can receive an award for only one project. The maximum grant remains EUR 1.5 million for that company. Submitting several proposals does not increase the grant ceiling.

11. Can Phase I investees or companies with other grants apply?

Phase I investees may apply if they meet the Phase II requirements. The term sheet excludes companies that received a grant from a similar project within the six months prior to the application, with an exemption for Sudan SME Catalyser Phase I companies. Disclose all previous and current funding.

Markets and eligible projects

12. Must applicants already supply a humanitarian agency or be registered with the UN?

No. Applicants may demonstrate existing supply relationships or a credible intention and capacity to supply humanitarian and development buyers. UN registration and an existing agency contract are not compulsory. The market includes relevant NGOs and development organisations as well as UN agencies. Identify the intended buyers, what they would purchase and how the company will reach them.

13. How can a company prove demand, including when it supplies through another company?

Provide buyer correspondence, expressions of interest, requests for quotations, contracts, purchase orders, supply records or evidence of successful delivery. Market studies help, but direct buyer evidence is stronger. A company supplying an agency through another company may apply, with the aim of engaging humanitarian buyers directly in future. Explain the current supply relationship and the plan for direct engagement.

14. Which agricultural and manufacturing activities can qualify?

Examples include farming, poultry, livestock, dairy, food processing, coffee roasting and packaging, sesame cleaning and grading, dried foods, spices, feed production and other locally manufactured goods needed by humanitarian or development buyers. Crop aggregation and purchases from farmers can also be considered. Each proposal must demonstrate a proven commercial model, relevant demand, local supply and benefits to its value chain.

15. Can service businesses qualify?

Yes. Examples include transport, storage, quality assurance, printing and advertising, private health and rehabilitation services, vocational or agricultural training and business development services. The applicant must be a qualifying for-profit business with a proven service. Explain what humanitarian or development buyers would purchase and provide evidence of demand. Social value alone does not establish eligibility.

16. Can an exporter or a trading company apply?

An exporter may apply for a project that produces or processes locally and supplies buyers within Sudan. Export activity alone does not meet the local supply objective. An established trading company may propose local processing if it demonstrates its own commercial record, relevant capability, a commercially validated product and a feasible implementation plan. State the company's experience with the specific products proposed.

17. Can the grant pay for imported goods, raw materials or machinery?

Importing finished goods for resale is not supported. Production machinery may be imported and may account for most of the grant if justified, where it enables production or processing in Sudan. Raw materials needed for local production may be imported when unavailable locally. Explain the sourcing, local production process, and goods that will be supplied within Sudan.

18. What must a solar business do to qualify?

A solar business must manufacture or fabricate locally. Importing, installing, and maintaining finished solar systems alone is insufficient. A company making steel mounting frames in Sudan may qualify on that basis only if it sells those locally made frames. A generator maintenance company expanding into solar must likewise demonstrate local manufacturing activity and the market it will serve.

19. Can an existing manufacturer buy solar panels and batteries for its factory?

Yes. Solar panels and batteries may be included where they enable an eligible business to continue, restore or improve local production. Explain the power constraint, the proposed solution and its effect on output and supply.

20. Which production and operating costs can be funded?

Eligible project budgets may include production, processing, packaging, storage and quality-control equipment; completion of an unfinished factory; and working capital, including crop purchases from farmers. Investments may sustain or restart operations as well as expand them. Show why each cost is needed, how it supports a proven business and how the project can become operational within the agreed period.

21. Can the grant fund new-product development, pilots or testing?

Experimental formulation, pilot production and testing to establish whether an unproven product works are not supported. The proposed product must already be tested and commercially validated before application. Routine quality and safety testing of an established product may be included as an operating cost.

22. Can certification costs be included, or must certificates already exist?

Certification of an established product may be included in the budget. The form allows certification to be in progress or planned under the project, and asks for product-quality certificates where applicable. Existing relevant certification strengthens an application. Explain how legal and buyer quality requirements will be met. Company registration, tax documents and the current business licence remain separate required uploads.

Matching contributions

23. How much must the company contribute, and can the requirement be waived?

The company must contribute at least 25% of the grant amount. At least 20% of that matching contribution must be cash; the remainder may be in-kind or additional cash. These are contracting requirements and cannot be waived. An entirely in-kind contribution does not qualify, even if the form permits a zero-cash entry.

24. What is the minimum contribution for a EUR 250,000 grant?

The minimum match is EUR 62,500. Of this, at least EUR 12,500 must be cash and up to EUR 50,000 may be inkind. Total project resources would be EUR 312,500. The 20% cash requirement is calculated on the matching contribution, not on the grant.

Project funding component	Amount
AECF grant	EUR 250,000
Minimum company match at 25% of the grant	EUR 62,500
Minimum cash at 20% of the match	EUR 12,500
Remaining match that may be in kind	EUR 50,000
Total project resources	EUR 312,500

25. Where can matching cash come from, and is it paid to AECF?

Matching cash may come from the company's own resources, shareholders, investors, loans or eligible grants from other sources. Disclose the source, conditions and availability, including other grants. The company spends its contribution on agreed project costs; it is not a deposit paid to AECF to obtain the award.

26. Can existing assets and management time count as an in-kind contribution?

Yes. A building or machine owned by the applicant may count, including its full value where ownership is proven, and the valuation and relevance to the project are agreed with AECF. Relevant materials, services and facilities

may also count. Owner or manager time may be valued using a reasonable salary for equivalent work elsewhere and the actual time contributed to the project.

27. When must matching funds be available and spent?

The required total match and cash commitment must be established for contracting. Spending before signing the grant agreement cannot count towards the match. Matching expenditure is then made throughout the project period under the agreed milestones; it does not all have to be spent before the second disbursement. Existing assets may still be proposed as in-kind contributions under the valuation arrangements described above.

28. What evidence proves the matching contribution?

Commitments may be supported by bank statements, signed investment or loan agreements and funding letters confirming the amount, conditions and timing. Actual expenditure requires evidence of payment, such as receipts, acknowledgements of cash received, bank transfer records, or cheque payment records. An invoice alone is insufficient. The agreement will set the verification requirements and schedule.

Payments and technical assistance

29. How are grants paid, including payments to overseas suppliers?

Payments depend on milestones agreed before contracting and the evidence required for each milestone. In most cases, the first disbursement will not exceed 30% of the award. AECF may pay overseas equipment suppliers directly in US dollars or euros on the company's behalf. The company then receives the equipment rather than the corresponding cash.

30. What bank accounts and exchange rates should companies use?

A dedicated project account is required. An approved company-owned overseas account may receive payments under the agreed arrangements. If operating expenses are financed through that account, the company must show the transfer of funds to Sudan and their actual expenditure. Prepare budgets using official exchange rates. Banking partners, account requirements and detailed payment procedures will be clarified during contracting.

31. When does technical assistance start and what can it cover?

Tailored technical assistance starts after the grant agreement is signed. It may cover production, packaging, food safety, certification, financial management, environmental and social management, procurement requirements, tendering and buyer introductions. Introductions do not guarantee purchase contracts. This support is for contracted grantees; technical assistance for unsuccessful applicants through referrals is not part of the current arrangement.

Application and selection

32. How do companies apply, and are the concept note and business plan submitted together?

Apply through AECF's Submittable portal. Submit both Part 1, the concept note, and Part 2, the business plan, together in the initial application, with all required uploads. Do not wait until shortlisting to prepare the business plan. Saving a draft is not submission: click Submit and retain the confirmation.

33. Which documents are required with the application?

Prepare the following required uploads:

- Registration or incorporation certificate.
- Tax registration certificate or valid tax clearance.
- Current business or trade licence.
- Ownership or shareholding document.
- Two years of audited statements and current-year management accounts.
- Key management CVs, including the project manager and finance lead.
- Company profile.
- Detailed project budget and three-year financial projections in Excel. ● Organisational chart.

Also prepare relevant buyer evidence, matching-fund evidence, product certificates, environmental permits, policies and partner agreements where requested or applicable. Follow the live form's upload labels and conditions.

34. What should the business plan, budget and projections show?

Explain the existing business, proposed investment, production or service capacity, buyers, implementation timetable, management, matching contribution and risks. Submit a detailed budget and three-year projections in Excel; Year 1 covers the 12-month funding period. Support volumes, selling prices, unit costs, margins, breakeven estimates, buyer payment terms, working capital and exchange-rate assumptions with credible evidence.

35. What makes an application competitive?

Strong applications demonstrate a proven and viable business, credible buyer demand, local production or service delivery, capable management, realistic costs, available matching cash and measurable benefits. Explain what the grant enables that would otherwise be delayed, smaller or unattainable, such as restarting sooner or reaching more households. This is the investment's additionality. Eligibility allows consideration; it does not guarantee selection.

36. What happens after submission and when will companies be selected?

AECF assesses applications, carries out screening and due diligence, and may request further information. Selected companies agree project milestones, indicators and financial arrangements before signing. The target is to select and contract the portfolio in the first quarter of 2027, meaning January to March. This is a target, not a guaranteed payment date for every applicant.

37. What is the deadline and where can applicants get help?

The application listing gives 16 December 2026 at 11pm EAT as the closing date. Check the live portal for the exact time, time zone and updates, and submit early. Use AECF's programme webpage and portal, or email sudancatalyserII@aecfafrica.org. The launch recording, presentation and Arabic materials will be shared, and a clarification webinar is planned for November 2026. The application process is free. AECF manages Phase II; 249Startups has no role, and AECF does not authorise paid intermediaries to act on its behalf.

Development results and obligations

38. Which development results should applicants demonstrate?

Show how the investment improves local access to goods or services, household incomes or savings, employment and local value chains. Quantify full-time, seasonal and part-time jobs, including jobs for women and youth aged 18 to 35. State whether beneficiary figures refer to households or individuals. Explain the assumptions behind income, savings and any renewable-energy or emissions estimates.

39. Who counts as a benefiting household and how should households be counted?

Households may benefit as farmers, suppliers or retailers earning income or savings, or as recipients of the company's goods or services, including through an aid agency. Explain the benefit and its link to the investment. Smaller totals are normally supported by beneficiary lists; large totals may use an agreed model with documented data and assumptions. Distinguish households from individuals, and avoid double-counting the same household across repeated transactions or overlapping groups.

40. What reporting and audit obligations apply after selection?

Grantees must report against agreed milestones and indicators, provide project and financial evidence, participate in programme reviews and make financial and management records available for audit when requested. Detailed requirements and schedules will be set in the grant agreement. Project data is treated confidentially unless otherwise agreed in advance.