M-SAWA
Supporting the Equitable Growth of Kenyan Businesses

About M-SAWA

The Equitable Prosperity - Maendeleo Sawa (M-SAWA) project is a seven year, $28.7 million initiative funded/implemented by Mennonite Economic Development Associates (MEDA) (supporters, partners and investors) with funding from Global Affairs Canada (GAC) which will run from 2015 to 2022.

Strengthening Businesses

The project aims to contribute to Kenya’s economic growth and increase job creation by improving the business, environmental and gender performance of small and medium enterprises (SMEs) and small entrepreneurs (SEs) in select counties along the Northern and LAPSSET Corridors in the following sectors: Agriculture/Agribusiness, Construction/Allied Industries, and Extractives.

In support of this goal, MEDA is offering Matching Grants (listed below and described in detail on subsequent pages) to Lead Firms (LFs), Business Associations and SMEs.

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<td>• Impact Acceleration – Up to approx. $80,000 USD</td>
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<td>• Spurring Small Entrepreneur (SE) Alliances – Up to approx. $225 USD per SE</td>
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| Business Associations             | Spurring Industry Innovation by Business Associations – Up to approx. $35,000 USD |

| SMEs                              | Business Development Support Services (BDS) – Up to approx. 7,500 USD |

MEDA also works with Investment Partners Business Partners International (BPI) and Lundin Foundation to increase access to investment capital for SMEs. In addition to making financial contributions to investment funds targeting Kenyan SMEs, the project provides referrals for SMEs interested in accessing debt or equity financing to investment partners and financial service providers.
Lead Firms

What is a Lead Firm?

A typical Lead Firm (LF) is a small, medium, or large company that has forward or backward commercial linkages with a significant number of SEs and/or SMEs, including farmers, in their supply chain. They can include outgrower firms, processors, exporters, traders, input companies, service providers, etc. who have solid business practices, often apply value addition to their products or services and play a critical role in moving their industry forward.

Key Qualification Requirements

Minimum criteria for an SME to qualify as an LF and access SIG grants:

• Operate in project target counties (along LAPSSET and Northern Corridors);
• Operate in project target sector(s) (Agriculture; Extractives, and Construction/Allied Industries);
• Registered legitimate/legally incorporated company or business;
• Maintain financial statements for the last 2 years;
• Net equity of more than $75,000 USD;
• Have 10 (full-time equivalent) employees or more (preference to firms with 50+);
• Work with SEs or SMEs in their supply/value chains (preference to firms reaching 500+ SEs);
• Annual revenues of $40,000 USD or more.

BDS Grants for SMEs

Key Qualification Requirements

Minimum criteria for an SME to qualify for BDS grants:

• Operate in project target counties and sectors (see above);
• Have 10 (full-time equivalent) employees or more;
• Work with SEs or SMEs in their supply/value chains;
• Annual revenues of $20,000 USD or more.

The Purpose of Matching Grants

Lead Firm grants are intended to support the growth and strengthen the business performance of the firm while also benefiting male and female SEs and SMEs in your supply/distribution chain. This may include: outgrower schemes, price discounts on green technology, formation of SE or SME alliances for collective marketing, and improved environmental and gender practices. Grant proposals must include a minimum of 2 activities related to improving gender equity and environmental practices.

Business Association grants fund initiatives which result in mutual benefits and increased collaboration among member SMEs through activities such as supply chain studies, trainings and marketing events.

Business Development Service (BDS) grants offer SMEs funding to receive BDS from pre-qualified, locally based consultants to provide tailored support to improve business performance. Funds may be used to conduct activities such as business and supply chain analysis, financial planning, business development planning, human resources planning and improving environmental, social (including gender equity) and governance performance.

NOTE

All grants require a cash match/cost share by the Lead Firm, Association or SME.
## Available Grants

### LEAD FIRM (LF) SUSTAINABILITY INNOVATION GRANTS (SIGs)

| Impact Acceleration Grants | • Purpose - Support the LF or its service providers to offer better or more efficient, effective services to the benefit of SEs and SMEs in their supply or distribution chain.  
• Maximum value - 50% of the Equity of your company or approx. $81,000 USD, whichever is less  
• Implementation Period – Up to 3 years (36 months)  
• Match requirement – 1:1 |
| Spurring Small Entrepreneur (SE) Alliance Grants | • Purpose – Support activities which result in greater formal cooperation and increased business capacities amongst allied SEs in an LF’s supply chain through creative new business alliance models.  
• Maximum value – Up to approx. $225 USD per SE  
• Implementation Period – Up to 2 years (24 months)  
• Match requirement – 1:1 |
| Small Entrepreneur (SE) Technology Adoption Grants | • Purpose – Provide a temporary incentive to SEs, such as price discounts, that encourage the purchase of improved or more environmentally responsible technologies for use in their businesses.  
• Maximum value – Approx. $75 USD or 25% of the full product purchase price per SE, whichever is less  
• Implementation Period – Up to 2 years (24 months)  
• Match requirement – 3:1 |
| Spurring Small and Medium Enterprise (SME) Alliance Grants | • Purpose – Support activities which result in greater formal cooperation and increased business capacities amongst allied SMEs in an LF’s supply chain through creative new business alliance models such as collective marketing events, trainings and supply chain studies.  
• Maximum value – Up to approx. $37,500 USD per SME alliance application  
• Implementation Period – Up to 2 years (24 months)  
• Match requirement – 1:1 |

### BUSINESS ASSOCIATIONS GRANTS

| Spurring Industry Innovation by Business Associations | • Purpose – Support activities of business associations which result in greater collaboration and cooperation amongst SMEs, usually those working in a specific value chain such as collective marketing events, trainings and supply chain studies.  
• Maximum value – Up to approx. $37,500 USD per application  
• Implementation Period – Up to 3 years (36 months)  
• Match requirement – 1:1 |

### SME GRANTS

| Business Development Support Services (BDS) Grants | • Purpose – Improve the business, environment and gender equity capacity of SMEs through the provision of BDS by pre-screened local service providers.  
• Maximum value – Up to approx. $7,500 USD  
• Implementation Period – Up to 1 year (12 months)  
• Match requirement – 1:1 |

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**NOTE**

Amounts quoted above are approximate USD equivalents (using a rate of 0.75 CAD to 1 USD) as all contracts/grants are issued in Canadian Dollars.
Lead Firm Selection Process

STEP 1
SMEs are invited to fill out a Survey to determine eligibility for proceeding through the grant application process. This survey is available online at https://meda.blitzen.com/form/Kenya-M-Sawa-Project

STEP 2
SMEs are notified of eligibility for BDS grants and receive a referral letter if selected. Eligible LFs and business associations are invited to submit a Concept Note that describes the proposed plan. Promising Concept Notes are invited to participate in an Initial Site Visit.

STEP 3
Selected LFs/associations are invited to enter into a Memorandum of Understanding with the project and to complete a more comprehensive Grant Application.

STEP 4
MEDA will conduct Due Diligence on LFs/associations before the final Contract is signed.

STEP 5
Following a successful due diligence process, the Final Contract is signed between the LF/association and MEDA. Implementation can only begin after this step is completed.

Other Important Information

- **Grant Disbursement**
  The grant is disbursed in tranches based on the activity budget presented and approved by MEDA and accounted for quarterly using accounting report format provided by MEDA.

- **Grant Management**
  MEDA acts as a fund manager under the Lead Firm grant agreement but the activities are implemented by the Lead Firm.

- **Confidentiality**
  MEDA takes into account confidentiality of sensitive business documents for the companies applying for the grants. To protect this confidentiality, a Non-Disclosure Agreement (NDA) is signed by both parties and each party retains a copy.

Interested in Applying for Funding?

Go to https://meda.blitzen.com/form/Kenya-M-Sawa-Project to fill out our eligibility survey.

For more information contact the M-SAWA office:

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or visit www.medan.org