

What is the SDG Impact Facility about?

The SDG Impact Facility will be used to provide competitive catalytic funding in form of blended finance – grants and concessional debt finance – to Micro–Small–Medium Enterprises (MSMEs) with commercially viable businesses in the targeted economic sectors. It is intended to incentivize financial institutions to provide affordable long-term loans so that funding becomes more easily available to enterprises.

Objectives of the SDG Impact Facility

- Develop and promote effective MSMEs support modalities that combine capital and technical expertise to meet MSMEs development needs,
- Sustainably scale up MSMEs with a high socio-economic impact with the aim to turn them into potential suppliers for local, sub-regional and regional value chains while having significant aggregated social impact,
- Implement and support nationally recognised MSMEs capacity building programmes and
- Create a conducive entrepreneurial ecosystem by fostering a collaborative national platform connecting MSMEs to government, development partners,

How long will the SDG Impact Facility run?

The SDG Impact Facility will run a pilot programme for 2 years. 2 November 2020 – 30 November 2022, the programme estimates to reach roughly 100 MSMEs. This figure can be grown considerably once we have a proven working model and involve other financial institutions.

How much money is being invested in this?

Facility has made available an initial USD 500 000 thousand of grant resources and technical assistance.

What is the target group for the facility?

- Women and youth in business, social enterprises, and Micro–Small–Medium Enterprises in targeted economic sectors as per three competitive windows shared
- SDG Impact Facility seeks to develop and promote effective MSMEs support by combining capital and technical expertise tailored to meet MSMEs specific financing needs that can contribute to more inclusive growth, with

a strong focus on scaling up MSME's to have a high socio-economic impact that can turn them into potential suppliers for local and regional value chains. The support will contribute to ensuring that MSMEs take advantage of the African Continental Free Trade Area.

What are the components of the facility?

EMPRETEC business enterprise development programme - Under the EMPRETEC programme MSMEs pre-grant and post grant will receive enterprise development and corporate governance training; and business development services support enterprises focused on coaching and mentorship; networking; access to markets, value addition and value chain integrations. Facility will ensure to connect MSMEs to Team Namibia, Namibia Chamber of Commerce and Industry and Namibian Standard Institute.

How does one apply for the facility?

A call for proposals will be advertised in three targeted windows

The facility will actively promote women and youth owned businesses. Competitive matching-grants will be offered in three windows

to MSMEs active in:

- Window 1 – Sustainable agriculture, nutraceutical and artisans
- Window 2 – Sustainable tourism and manufacturing
- Window 3 – Renewable energy and information technology

The Facility is designed to spur impact-driven entrepreneurship and engage enterprises in tackling unemployment amongst youth and women resident in Namibia by leveraging innovations¹ in selected economy sectors to create jobs and livelihood opportunities; improve quality of people's lives and provide access to affordable finance, products and services.

What are the application timelines for the different competitive windows of the facility?

By offering targeted window calls we are able to have focused evaluation and bring on board experts Business Development Services (BDS) to guide MSMEs in their respective industry areas

- Window 1 – Sustainable agriculture, nutraceutical and artisans – November
- Window 2 – Sustainable tourism and manufacturing – March
- Window 3 – Renewable energy and information technology – July

¹ Views in its broadest sense including i) a new approach, product, idea or service that has not been tested anywhere; ii) a new approach, product, idea or service that is new to Namibia ; or iii) a new approach, product, idea or service that lead to substantial contributions in addressing development challenges

After one has applied, what is the criteria of assessment?

For the different respective call windows, the criteria for assessment will be published in the Request for Proposal, MSMEs information sessions will held, whereby MSMEs will be shown how they should complete the application form.

It is required that MSMEs are registered with BIPA and are operational for a minimum of 6 months to qualify.

The Facility in addition to the standard application criteria has ring fenced grant support:

- That will focus on promoting women lead MSMEs and youth enterprises, and
- MSMEs who fall in the vulnerable category will be considered for pure grants.

Briefly explain the concept of the matching grant for this facility

The SDG Impact Facility (SDGIF) will function as a grant matching facility whereby UNDP will provide grant funding for vulnerable MSMEs and matching-grants for established MSMEs. The facility will function under two tiers (2) according to the UNDP Grants Allocation.

Tier One MSMEs:

Successful MSMEs will receive a one-off, limited duration grant, usually covering up to 70% of project costs (or up to N\$650,000 as appropriate) with the remainder to be matched by own contribution or support from their respective financial institution or sourced from other grant funds.

Tier Two Vulnerable MSMEs:

Successful MSMEs will receive a one-off, limited duration grant, usually covering up to 90% of project costs (or up to N\$50,000 as appropriate) with the remainder 10% to be matched by own-in kind contribution.

What does UNDP define as a vulnerable MSMEs?

- Firstly, all MSMEs that had felt the negative impact of covid-19 on their business operations. If an MSMEs has had to close, let go of staff are eligible for vulnerable grant as we are helping MSMEs to build back up and be more resilience to external shocks.
- Vulnerable MSMEs micro-small enterprises:
 1. Micro businesses with undefined turn-over
 2. Business plan cannot be verified (therefore cannot get access to traditional financing)

What is in-kind contribution?

An in-kind contribution is a contribution of a good or a service other than money.

Some examples include:

- voluntary labour (for example, painting work)
- donated goods (for example, kitchen equipment)
- donated services (for example, professional advice from an architect)

For all enquiries contact the SDG Impact Facility Grant Fund Manager

The Environmental Investment Fund of Namibia has been contracted by UNDP Namibia to manage the grant call, application reviews, grant contracting and distribution of funds.

SDG Impact Facility grant application forms can be downloaded from <https://www.eif.org.na/sdgif/> or requested via email undp.sdgif@eif.org.na

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