



AFRICAN DIASPORA MARKETPLACE

African Diaspora Marketplace Overview

The African Diaspora Marketplace (ADM) is a business plan competition designed to support the entrepreneurial spirit and resources of the U.S. based African diaspora¹ community to promote economic development in Sub-Saharan Africa by facilitating diaspora direct investment (DDI) in viable small and medium enterprises² (SMEs). Specifically, the ADM will become the catalyst for job creation, income generation and the delivery of vital goods and services by providing matching grants to African diaspora members working in partnership with African-based enterprises and/or entrepreneurs. Sponsored by the United States Agency for International Development (USAID) and Western Union Company, the ADM has been launched in response to the diaspora's significant and growing contribution to Sub-Saharan Africa's development.

The ADM is currently seeking proposals for start-up and established businesses operating (or to be operated) through partnerships between US-based members of the African diaspora and local Sub-Saharan African entrepreneurs. Following a rigorous two-round review and selection process, 10 – 20 winning businesses will be awarded matching grants between \$50,000 and \$100,000 each.³ Grants to winners will be matched by investments of diaspora members and their partners on a one-to-one basis through a combination of financial and in-kind contributions.

Proposal activities must be implemented in one of the following Sub-Saharan African countries where USAID has both an on the ground presence and technical assistance programs for entrepreneurs: Angola, Burundi, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Uganda and Zambia.

Proposals will be selected through a transparent review process to identify the best business ideas based on evaluation criteria (<http://www.diasporamarketplace.org/guidelines>) including the quality and proposed management of the business idea, prospects for sustainability, results orientation, and capacity to leverage diaspora resources. Finalists will be invited to a 2 day award event in Washington D.C. where they will present their ideas to a panel of judges consisting of business experts and leaders from the diaspora community, USAID, Western Union, and other development institutions and private sector companies. Finalists are expected to attend and to cover roundtrip travel costs to Washington DC.

ADM Grants and Support

The ADM will award 10 – 20 winning businesses with matching partnership grants of \$50,000 to US\$100,000 each. The exact number of businesses to be supported will be determined by the availability of total funds. In addition, the ADM will facilitate access to technical assistance, capacity building, and information on a range of follow-on financing options for all finalists.⁴ These opportunities will be afforded through linkages with existing USAID and other United States Government (USG) programs in Africa as well as ADM partnerships with the private sector.

¹The African Union defines *diaspora* as “people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union.”

²The International Financial Corporation (IFC) qualifies SMEs as meeting two of the following three indicators: (i) number of employees between 10 and 300, (ii) Total Assets between \$100,000 and US\$15 million; and (iii) Total Annual Sales of between US\$100,000 and US\$15 million.

³ The ADM continues to accept partnerships from additional investors in the competition. The exact number of business to be supported remains subject to the accountability of funding.

⁴The ADM will not take an equity position in a private enterprise.

ADM Partners

The ADM is financed jointly by USAID, the Western Union Company, and the Western Union Foundation. It is being implemented under USAID's flagship Diaspora Networks Alliance (DNA) which works synergistically with the African Technical Assistance (ATA) initiative, a joint program between USAID and Overseas Private Investment Corporation's (OPIC) Enterprise Development Network (EDN). ATA aims to provide a minimum of \$1.5 million USD in technical assistance to SMEs in Sub-Saharan Africa (<http://ednaccess.com>). The ADM is being implemented by the Academy for Educational Development (AED) and The QED Group, LLC.

ADM Eligibility Criteria⁵

The ADM is seeking the most promising proposals for sustainable commercially-oriented business that meet the eligibility criteria outlined below:

Business Location: Proposals must be implemented in one of the following countries: Angola, Burundi, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Uganda and Zambia.

Sub-Saharan African Diaspora Participation

- Proposals must be submitted by a member (or members) of the Sub-Saharan African diaspora living in the United States as a U.S. citizen or permanent resident.

Who is considered a “diaspora member”?

- The ADM uses the African Union's definition of African *diaspora* meaning, “people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union.”
- Proposals may be submitted by an individual diaspora member, a group of diaspora members or a diaspora-owned business based in the U.S.

African Partnership: Proposals must be submitted in partnership with a Sub-Saharan African entrepreneur, a group of entrepreneurs or a business located in the Sub-Saharan African country where the business is or will be established.

Business Criteria

- Must be a start-up or established business seeking to expand or introduce new goods or services.
- Must be legally registered in the Sub-Saharan African country of implementation. Businesses that are not yet legally registered may also participate in the competition, provided they are able to become legally incorporated before advancing to the final round of the competition.
- Must include a minimum of 25% ownership by the proposing US-based diaspora member. Proposals that advance to the final round will be required to submit evidence of diaspora ownership.
- **Eligible sectors:** All commercially viable proposals will be considered, however, the ADM is particularly supportive of proposals for business ventures working in “productive sectors” including but not limited to: agribusiness, handicrafts, textiles, tourism, environmental services such as waste management, construction and infrastructure, logistics and transportation, manufacturing and assembly, fisheries, livestock and information and communication technologies (ICT).

⁵ Please note, in addition to signing a statement testifying that your proposal meets these criteria, applicants will be required to provide proof upon advancement to the final round in Washington, DC in January 2010.

Matching Contribution: Applications must demonstrate a minimum of one-to-one leverage ratio of applicant contributions to ADM grant funding. Proposals that offer to leverage beyond that are viewed favorably. At least some portion of the leverage must be in the form of a financial contribution. In addition to monetary contributions, in-kind resources such as property, equipment, and supplies are also valuable contributions. Applications must clearly specify the contributions of each party and indicate the cash value of in-kind support.

Implementation Timeframe: Proposed activities must be completed within 18 months of receiving the initial disbursement from the ADM.

Award size: Requests for ADM funding should be between \$50,000 and US\$100,000 USD.

Language: Proposals must be submitted in English.

Restrictions and Prohibitions:

- The ADM will not consider proposals which are not in compliance with “ADM General Restrictions and Prohibitions.” For more information regarding ADM restrictions and prohibitions, visit the ADM website at <http://www.diasporamarketplace.org/resources>.
- The ADM will not consider applications from or in partnership with:
 - Not-for-profit organizations or non-governmental organizations (NGOs);
 - Government institutions (national, regional or local);
 - Employees, contractors or family members of any participating sponsors (USAID, Western Union, etc.);
 - ADM judges, TA providers and consultants; or
 - Entities listed in "Parties Excluded from Federal Procurement or Non-procurement Programs"⁶ (www.epls.gov).

ADM Evaluation Criteria

Proposals will be assessed through a two-stage process:

- Stage 1 consists of an initial call for proposals followed by a detailed review and selection process to be conducted by international and diaspora business experts. Following Stage 1, a limited number of applicants will be invited to submit full business plans.
- Stage 2 consists of the development and submission by finalists of full business plans. Plans will be submitted to the ADM and distributed to ADM judges for review. A final review and awards event will be held in Washington, DC during which finalists will participate in one-on-one interviews with ADM judges. Awards will be announced at the conclusion of the event.

ADM Proposal Criteria

Proposals will be assessed according to the following Evaluation Criteria. Please note that the five criteria will be considered equally during the review process - no criterion is more important than any other:

1. **Business Idea:** Proposals must demonstrate a well-thought out idea and model that has the potential to be profitable, sustainable, and generate economic development in Sub-Saharan Africa. Successful proposals will clearly articulate the market opportunity to be met by the proposed product/service and how this will add value to the economy.
-

2. **Management Capacity:** Proposals must demonstrate the team's capacity to successfully implement and grow the business in the local context. Evidence will include information regarding the team composition, relevant qualifications, and demonstrated track record of success. Proposals should also demonstrate the depth and strength of the partnership between the US-based African diaspora member and the local entrepreneurs(s)/enterprise.
3. **Sustainability:**
Operational: Proposals must outline an operational strategy comprised of concrete activities to be executed over the 12-18-month implementation period as well as a plan for achieving operational sustainability and overcoming anticipated challenges.

Financial: Proposals must outline a financial plan to cover financial and operational costs within the 12 - 18-month implementation period and a strategy for long-term viability. Plans must be based on realistic projections of expense and revenue streams. If break-even is not expected by the end of the ADM funding cycle, the business must provide a realistic strategy to secure additional financial support beyond the life of the ADM funding cycle.
4. **Results:** Proposals should demonstrate the ability to achieve tangible results in terms of business growth and economic development during the ADM funding cycle. They should define relevant outcome indicators and targets such as revenue generated, direct and indirect jobs created, increased wages, lives improved through the delivery of goods and services, etc.
5. **Leverage:** Proposals must demonstrate the ability to leverage diaspora resources in terms of financing, expertise and networking. Proposals should demonstrate a minimum of one-to-one leverage ratio of applicant contributions to ADM grant funding. Proposals that offer to leverage beyond that are viewed favorably. At least some portion of the matching contribution must be in the form of a financial contribution. In addition to monetary contributions, in-kind resources such as property, equipment, and supplies are also valuable contributions. Applications must clearly specify the contributions of each party and indicate the cash value of in-kind support.

Apply to the ADM

Proposals must be submitted through the Africa Diaspora Marketplace website. For detailed application instructions please visit our website at www.diasporamarketplace.org. If you are unable to access the website, please send a fax to the ADM team at 1(202) 884.8425 or an e-mail to ADM2009@diasporamarketplace.org. In addition, prospective applicants may submit questions or request clarification in writing to this address, no later than July 17, 2009. AED will respond to questions and requests for clarification by July 24, 2009 and share them with all potential applicants.

The deadline for submission of your proposal is July 30, 2009 at 6 p.m. Washington DC time (22:00 GMT). Note that only submitted applications will be considered for the competition and that any proposal in draft form will be automatically deleted after the submission deadline. To be considered for this competition, please make sure that you click the "Submit" button on your application by 6:00 p.m. EST (22:00 GMT) on July 30, 2009.

Please note that all applications are treated with the highest degree of confidentiality. All judges, consultants and organizers will sign confidentiality agreements that prevent them from using or discussing any information related to the applicants or their ideas. This confidentiality agreement will be in effect even after the ADM competition has ended.

Competition Timeline and Key Steps

June 2 - July 30, 2009

Call for proposals closes on July 30, 2009 at 6 p.m. EST (22:00 GMT).

October 2009: Selection and Announcement of Finalists

Finalists will be asked to submit a detailed business plan. The exact number of finalists will be determined by the availability of total funds.

November – December, 2009: Submission of Finalists' proposals

Finalists will prepare a full business plan using the ADM Business Plan template. In addition, ADM Finalists will have access through the ADM website (www.diasporamarketplace.org) to a variety of resources to improve their business plan and skills.

January, 2010: African Diaspora Marketplace Event, Washington, D.C.

Finalists will be invited to the African Diaspora Marketplace event in Washington DC. At the ADM event, an independent jury comprised of the partners members and leading individuals in the diaspora and international business community will evaluate each proposal and conduct a face-to-face interview with each team in order to select winners. Finalists must attend the ADM event in Washington and are expected to cover travel costs (including the cost of accommodation) to and in Washington, DC.

AED reserves the right to fund any or none of the applications received in response to this RFA at its discretion. Neither AED nor USAID makes any commitment, either expressed or implied, through publication of this RFA to compensate or reimburse applicants for costs incurred in the preparation of applications.

This Request for Applications is issued by the Academy for Educational Development (AED), a U.S. Non-profit organization corporation with headquarters in Washington, DC, USA, acting in its capacity under Cooperative Agreement No. EEM-A-00-006-00001-00 to administer a grants management program for the USAID pursuant to the Foreign Assistance Act of 1961, as amended. As this grants program is administered by AED, all inquiries should be directed to AED and not to USAID. Any attachments to this RFA which reference USAID should be read as though AED were substituted.