



# AFRICAN DIASPORA MARKETPLACE

## Frequently Asked Questions (FAQs)

### General

#### **What is the ADM?**

The African Diaspora Marketplace (ADM) is a business plan competition designed to support the entrepreneurial spirit and resources of the U.S.-based African diaspora<sup>1</sup> community to promote economic development in sub-Saharan Africa by facilitating Diaspora Direct Investment (DDI) in viable small and medium enterprises.

#### **Is my business a small or medium enterprise (SME)?**

The ADM uses the International Finance Corporation's (IFC) definition of an SME. Businesses must meet at least two of the following three criteria: i) Number of employees between 10 and 300, (ii) Total Assets between \$100,000 and \$15 million USD; and (iii) Total Annual Sales of between \$100,000 and \$15 million USD.

#### **Are you currently accepting proposals?**

The ADM will accept proposals between June 2, 2009 until July 30, 2009 at 6 p.m. EST (22:00 GMT). After this time, proposals will not be accepted.

#### **How can I become an ADM Partner?**

The ADM is seeking Partners from the development community and private sector to contribute financially to the funding pool, provide in-kind support to the ADM event and winning entrepreneurs, review ADM Business Proposals and publicize / market the ADM to target audiences. Please visit our ADM Partners page (<http://www.diasporamarketplace.org/about/partners>) to volunteer to review proposals, or to find more information about partnering with the ADM.

### Eligibility

#### **Am I a "Diaspora" member?**

The ADM uses the African Union's definition of African diaspora: "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." Still, because the term diaspora is undeniably complicated, and the ADM relies on proxy measures for evidence of being a diaspora member: (i) the existence of a partnership with a Sub-Saharan African based entity; and (ii) a minimum 25% diaspora ownership in the proposed business activity. Therefore, a multi-generation African-American is eligible provided application is in partnership with a Sub-Saharan-African entrepreneur or business and he/she holds a minimum of 25% ownership of the business.

#### **How do I meet the minimum of 25% ownership requirement?**

The ADM-supported business entity based in Sub-Saharan Africa must be structured so that the applying African diaspora member has a minimum of 25% ownership. Upon advancing to the Finalist

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round, applicants will be required to present proof of ownership in the form of a Certificate of Business Registration or other legal document outlining the ownership structure.

**What do “matching contributions” and the requirement for “a minimum of one-to-one leverage ratio” mean?**

ADM applicants must contribute resources of equal or greater value to the proposed project than they are requesting from the ADM. For example, a request for a \$100,000 USD ADM grant must be "matched" with a contribution of at least \$100,000 USD from the applying partners. However, while this matching contribution must include a financial component, it can also include “in-kind” contributions. For instance, applicants could provide a matching contribution of a \$50,000 USD loan from a bank, \$25,000 USD cash investment, and land and machinery used during the course of the grant that is equal in value to \$25,000 USD. Be sure to include the monetary value of all "in-kind" contributions in the proposal in the “Notes” of the Financial Section of the ADM application.

**How does the ADM define “partnership”?**

ADM partnerships can take on many forms provided they meet the following basic requirements: (i) partnerships are comprised of a US-based African Diaspora community member (an individual, a group of individuals or a business) and a local Sub-Saharan African entity (an individual, a group of individuals or a business) based in the country of implementation, and (ii) the partnership is or can become a legally incorporated in the country of implementation.

**Can an applicant identify the partner later? I have a good business idea, but don't have a partner in Africa yet.**

No. ADM projects must be in partnership with an entity based in a Sub-Saharan African country. Please note, all participants in the ADM competition must have a partner prior to applying. Applicants missing this component will not be reviewed.

**Can the applicant be in Sub-Saharan Africa and submit a proposal with a partner from the Diaspora in U.S.?**

No. The ADM is focused on the contributions of the U.S.-based African diaspora community to their continent of origin. Therefore, the applicants must be residing in the U.S. while the partner must be based in the Sub-Saharan African country where the business activity will be implemented.

**Does the Sub-Saharan African partner have to provide a “matching contribution” as well?**

No. The “matching contribution” is calculated for the entire proposed activity. The ADM does not differentiate between the percentage of that contribution made by the US-based African diaspora member and that of the local partner in Sub-Saharan Africa. The total “matching contribution” from all parties must be equal to or greater than the grant funding requested from the ADM.

**Are unregistered businesses able to apply?**

Yes. Businesses that are not yet legally registered may also participate in the competition; however, such entrants must become legally incorporated before advancing to the final round of the competition.

**Are existing businesses eligible to participate to the competition?**

Yes. Existing businesses (i.e. business that have been legally incorporated for more than 2 years in the country of implementation) that are looking to expand to new markets or into new services or products are eligible.

**What sectors are eligible?**

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).

**Are proposals that have a timeline of less than 12-18 months eligible?**

Applicants may submit plans that will expend ADM funds in fewer than 12 months. However, as the purpose of the competition is to support long-term investment in growing businesses, winners will be required to establish targets that extend through a 12-month period and report to the ADM on these targets throughout that period.

**Applying**

**How many proposals is ADM accepting?**

There is no limit to the number of proposals accepted. All proposals submitted online by July 30, 2009 at 6:00 pm EST (22:00 GMT) will be reviewed. We encourage any Sub-Saharan African diaspora member in the U.S. with a commercially viable business idea for Sub-Saharan Africa to apply.

**Can I submit multiple proposals?**

No, applicants may only submit *one proposal*.

**Can I email or fax my proposal to the ADM Team directly?**

No. Proposals must be submitted online through the ADM website at <http://www.diasporamarketplace.org/apply>.

**What do character limits (ex. 700 characters maximum) refer to in the online proposal form?**

A character is any letter, space or symbol, including spaces and punctuation. If your answers exceed the given character count, the online application will not accept your entry.

**TIP:** We encourage you to draft your answers to Section III of the proposal ("Detailed Business Profile) offline on a word processor (Microsoft Word, WordPerfect, etc.). Such programs include the ability to count characters as you develop your responses. You can then directly cut and paste the answers into the online application form.

**TIP:** Tables and other formatting (bullets, headings, etc.) will not be retained when entering information into the online form.

**Can I send any additional materials along with my proposal?**

No. Please do not submit any additional materials with your proposal.

**Selection**

**What is the process for reviewing the proposals?**

The proposals will be reviewed in a 2-stage process. As a first step, all submitted proposals will be screened to ensure eligibility. Proposals will then be reviewed by international and diaspora business and development experts against the ADM Evaluation Criteria ([www.diasporamarketplace.org/guidelines](http://www.diasporamarketplace.org/guidelines)).

Following Stage 1, a limited number of applicants will be selected as "Finalists" and invited to submit full business plans using a standard ADM format. In the second stage, full business plans will be reviewed by a Jury of comprised of ADM partners, distinguished business experts and development practitioners from the international and Diaspora communities. Finalists will then participate in one-on-one jury interviews with ADM judges in Washington, DC. The winners will be announced at the ADM Awards Ceremony to be held in Washington, DC in January 2010.

**Who will be on the ADM Jury?**

The full business plans will be reviewed by a Jury of distinguished business experts and development practitioners from USAID, OPIC, Western Union, international business leaders, other development institutions, and leaders from diaspora community.

**Are there quotas or limits on the number of winners or proposals by country?**

No. Finalists are chosen based on their business ideas and proposals, without regard to the Sub-Saharan African country of implementation.

**What happens after the ADM competition?**

ADM winners will sign a project contract that outlines a milestone and disbursement schedule for the award grant. Some projects may require additional environmental or procurement reviews. Grant payments will correspond to the milestones specified in the winner's proposal. Each project will have access to potential technical assistance and will be monitored for a period of up to 18 months. The performance and lessons learned from the projects will be disseminated to the broader diaspora business and development communities.

**How can I contact the ADM Team?**

If your question is not answered on the ADM website or F.A.Q. section, please contact the ADM Team by fax at +1 (202) 884.8425 or send an email to **ADM2009@diasporamarketplace.org** .

The ADM Team cannot guarantee that it will be able to respond to inquiries received after 15:00 EST / 19:00 GMT July 30, 2009.