



**DIASPORA ENTERPRISE ACCELERATOR
BUSINESS PLANNING COMPETITION
(AFFORD DIASPORA FINANCE)**

PROSPECTUS

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This prospectus provides you with key information about the Diaspora Enterprise Accelerator Business Planning Competition, a key programme of AFFORD Diaspora Finance (ADF). It will guide you in understanding if we are able to fund your organisation's project proposal, in addition to helping you to be compliant in the completion and submission of the application forms and business plan. It also provides information on how we assess your application, and what happens next if you are successful.

WHAT IS ADF?

AFFORD Diaspora Finance (ADF) brings together a series of programmes, schemes and initiatives aimed at promoting, stimulating and harnessing diaspora investment opportunities for jobs and wealth creation as a catalyst for efficient and effective development of the African social economy. A key ADF programme is the Diaspora Finance and Investment Initiative (DFI), co-funded by Comic Relief and UK Aid through the Common Ground Initiative. DFI will address the following hurdles which hinder diaspora entrepreneurs and investors:

- Limited access to capital and high cost of borrowing;
- Inadequate information about local market conditions and opportunities;
- Inadequate access to business support in transnational investment;
- Lack of structured or diverse investment products;
- Local barriers to investment and growth.

Expected Impact of ADF

One key outcomes for ADF is to increase and diversify diaspora investments in SMEs, particularly social enterprise in Africa.

The ADF will stimulate and encourage investment and entrepreneurial activities which would lead to the creation of quality and sustainable jobs and thus contribute to social and economic empowerment of Africans. To ensure the success and sustainability of ADF programme, optimise the viability of individual projects, diaspora entrepreneurs and businesses will have full access to flexible and quality business development support services.

ADF will kick-start with an investment of £600,000 (in the form of grant match funding) in 20 UK-based African diaspora businesses operating in any of the four pilot countries, Nigeria, Rwanda, Sierra Leone, Zimbabwe. These businesses will be selected through Diaspora Enterprise Accelerator, a business planning competition.

WHAT IS THE DIASPORA ENTERPRISE ACCELERATOR BUSINESS PLANNING COMPETITION?

The Diaspora Business Planning Competition (DBPC) will facilitate the selection and award of match-funding for innovative and viable diaspora enterprises in niche, emerging and diverse market sectors with the capacity to create sustainable employment.

The following are the specific objectives of the Diaspora Enterprise Accelerator:

- Identify investment ready businesses and those in need of further business development support within the target group;
- Help to establish viable and sustainable businesses with growth potentials;
- Assist project funders to select and target investment to viable businesses appropriately;
- Encourage diaspora businesses to embrace the culture of business planning;
- Provide a suitable platform to attract further investments.

THE APPLICATION PROCESS

1. Initial consultations with partners, stakeholders and potential beneficiaries.
2. Diaspora Enterprise Accelerator Roadshows / awareness workshops / formal launch.
3. AFFORD Business Club membership registration.

4. Completion and submission of Pre- Qualification Questionnaire (PQQ) (Stage 1 Application)

Complete the PQQ and submit by email to adf@afford-uk.org by midnight, Friday 17 February 2017. Late submissions will not be accepted. Only one application per organisation will be considered. We will acknowledge receipt of all applications within two working days. We may need to contact you following receipt of your application for additional information. A decision on your suitability to progress to the next stage will be made within five working days from the date of submission.

5. Completion and submission of your Business Plan (Stage 2 Application)

We will invite you to submit the Stage 2 application together with a business plan if you are successful at the PQQ stage. It is a requirement that all Stage 2 applicants attend the Application and Business Plan workshop. At the end of the workshop, each applicant will be assigned a Personal Business Adviser (PBA) to assist you in the preparation of the Business Plan. Three copies of the completed application form, a business plan, together with detailed financial projections and an electronic copy on a USP stick should be delivered by hand or post to: The Enterprise Manager, Diaspora Accelerator Business Planning Competition, AFFORD, 2nd Floor, Rich Mix Building, 35-47 Bethnal Green Road, London E1 6LA.

6. Assessment of Stage 2 application

As part of Stage 2 application, we will invite you to present your business proposal to a panel of judges which will consist of experienced business individuals. The panel is responsible for reaching a final decision and we aim to communicate the final decision to you within twenty working days from the date of this stage's application.

7. Final Decision and Grant Offer Letter

If your application is successful, you will be offered conditional offer letter with our terms and conditions which may include the submission of outstanding or additional documents in support of your application. All documents submitted will be carefully checked for accuracy and authenticity. If you do not do meet these requirements and accept the offer within ten working days, we may withdraw our conditional grant offer.

8. Service Level Agreement and Project Start

Once the official offer is accepted and the Service Level Agreement is signed and returned to us, we may ask you to submit an interim work programme, including details of how the grant money will be expended. If satisfactory, we will write to you confirming the arrangement for the disbursement of the grant money through a nominated bank. We reserve the right to release the grant money in instalments if appropriate.

You may commence with your project on receipt of a final letter confirming the grant offer. A list of grantees will be published on AFFORD's website and or social media together with a brief description of their projects.

9. Business Development Support

AFFORD will provide business support to enable the development of your idea into a viable business plan and application throughout the application process. To ensure project sustainability, all successful grantees will be supported regularly through a tailored and well co-ordinated programme of business development support throughout the life-time of the project. This will be delivered through one to many and one to one approaches. Successful grantees will also receive ongoing mentoring support throughout the lifetime of the project both in the UK and the four targeted African countries. AFFORD's in-country institutional partners: Enterprise Development Centre, Pan Atlantic University Nigeria, Private Sector Federation Rwanda, AFFORD Sierra Leone and Empretec Zimbabwe will be available for consultations and support.

10. Reporting requirements and project completion

You will be expected to complete and submit quarterly reports including performance and financial narratives and end-of Project Report exactly two months after project completion, detailing actual achievements against contractual targets. We may visit, telephone or ask to see original receipts to check how the grant was spent. You must complete your project within 24 months of the project start date. We will work with you to agree a reasonable completion date.

ADF Grant available

The total grant available for this project is £600,000. Each diaspora business may apply for a maximum grant of £30,000, provided the applicant can provide a match funding in cash totalling £7500. There are no restrictions on which budget line the match contribution is applied to but it must form part of the overall budget. No more than 15% of the grant may be spent in the UK for project related costs. This will be reconsidered in exceptional circumstances where it is clear that the local African community will benefit from a significant percentage of funds being spent in the UK, and where the business plan successfully demonstrates the rationale for spending funds in the UK.

Key Areas of Business/Project Viability

Investments will be awarded to project proposals that sufficiently meet the following requirements:

1. Project must be innovative and aims to solve existing or future problems.
2. Demonstrate market viability.
3. Demonstrate financial viability.
4. Demonstrate management viability.
5. Employment/job creation and sustainability.
6. Environmental awareness and sensitivity.
7. Evidence of positive actions to encourage youths and women participation.
8. Evidence of plans to use technology, social media and strong partnership working.

Expected Project Outcomes

To be considered for grant award, your business plan must demonstrate the proposed project will be able to deliver Outcome 1 and at least one of the remaining three outcomes (2-3):

- Outcome 1: The creation of ten new quality jobs (mandatory) OR;
- Outcome 1b: Creation of a minimum of five new businesses (*if applying for start up project activities*);
- Outcome 2: Increased and more secure incomes and better working conditions and pay;
- Outcome 3: Increase in economic activity and sustainable livelihoods;
- Outcome 4: Improved environment and conditions for doing business.

Outcome 1: The creation of ten sustainable jobs (mandatory)

The business/enterprise is expected to generate social and economic benefits in the form of creating a minimum of ten sustainable jobs. Jobs that sustain current roles will not qualify as new jobs.

These following guidelines will apply below:

- Must be sustainable in the short to medium-term with measures in place to ensure its longevity (minimum six months);
- Paid wages and salaries must meet either national or sector minimum wage;
- Number of hours worked must be between 35 and 48 hours per week (seasonal jobs in specific sectors such as agriculture need to be addressed separately);
- Every employee must be given a contract of employment, detailing terms and conditions including pay and notice of termination;
- Must offer prospects for personal development such as on the job training;
- Employees must have the freedom to express their views and concerns;
- Must apply equal opportunities principles and ensuring fair treatment for all in employment (including and not limited to pay);
- Evidence of payment of taxes.

Outcome 1b: The creation of sustainable new start-up businesses

- **Must create a minimum of five new start-ups with the potential to create additional jobs;**
- **Must be sustainable in the short to medium-term with measures in place to ensure its longevity (minimum 24 months);**
- **Must be legally registered enterprises, either limited by guarantee or shares;**
- **Each new enterprise must create a minimum of 2 sustainable jobs;**
- **The enterprise created must be within the approved core business sectors and operating in one of the targeted countries.**

Outcome 2: Building on and enhancing existing initiatives

The project should put systems and processes in place for sustainability, future scaling up and replicating best practices. One example could be developing an internal quality management system or increasing the efficiency of an existing cooperative by providing equipment or improving access to markets.

Outcome 3: Increased social and economic impacts on the community

- **40% of new staff to consist of women (2) and youths (2), 16 to 35 years of age;**
- **60% of new employees to receive on the job skills enhancement training within 24 months.**

Outcome 4: Contributing to innovative solutions to improve policy environment and conditions for doing business

- **Initiatives successfully applying innovative solutions to overcome local barriers to investment and growth;**
- **Effective use of ICT to innovate and improve productivity and efficiency;**
- **Targeting areas neglected/under-served by the government;**
- **Access to a minimum of 4 days of business support mentoring and coaching sessions.**

Core Business Sectors for Investment

ADF grant will be invested in businesses operating in the following sectors:

- Agriculture/agri-business;**
- Education & training;**
- Health management;**
- Water, sanitation and hygiene;**
- Small and medium scale manufacturing;**
- Distribution, retail and hospitality;**
- ICT/Creative Industry.**

Local contents and partnerships

The proposed project must have significant and demonstrable input into the design and delivery from local partners. I.e. the proposed business should be predicated upon a business model in which projects are delivered on the ground in partnership with local African partners. In the case of a manufacturing business, it is expected that or highly preferred that if possible raw materials, equipment, furniture are sourced locally.

We will require proof of the following before we confirm the award of the grant:

- **A signed partnership memorandum of understanding (MoU) between the diaspora business/organisation and their African partner(s);**
- **Proof of its legal status;**
- **Evidence of willingness or undertaking to source and use local materials.**

We may also ask for references from two reputable referees for each local African partner.

There are no limitations on how many local partners you can work with. However, it is important to bear in mind that the more local partners you have, the more resources and time you will need to spend on building relationships and strong partnerships.

CONSORTIUM BIDS

Although we strongly encourage applications from consortia/groups/alliances of diaspora organisations, only one organisation will lead in the preparation and submission of the application. The lead organisation will be responsible for project management activities, including grant management and reporting. The lead organisation must be a registered company, limited by guarantee or shares. Other members of the consortia can be unregistered groups or diaspora individuals as well as registered charities or companies.

Consortia may consist of between two and five members, including the lead organisation.

Members of consortia do not need to have worked together before, although it is expected that a strong consortia bid will have clear roles and responsibilities that recognize and take on board the strengths of each partner.

A lead partner organisation or consortium member can only participate in one grant application.

FUNDING & EXPENDITURE GUIDELINES

Who we cannot fund:

Lead organisations cannot be individuals, sole traders, unregistered community groups, statutory bodies, or businesses not established or registered in the UK. We are unlikely to fund organisations/businesses that are in poor financial health. The 20% match funding may be provided by either the lead organisation, one of the partners or the partnership as a whole.

The lead organisation completing the application form must be the same organisation that will receive the grant, manage the project and act as the accountable body at all times. An application made on behalf another organisation will not be considered.

Businesses and organisations are only eligible to put in one application only. ADF cannot accept more than one application from the same organisation.

What ADF grant can fund:

ADF grant can be used to part cover the following costs:

- a) Staffing costs related to the delivery of the project;
- b) Machinery & equipment – strictly for business use;
- c) Rent & rates;
- d) Office furniture;
- e) General business overheads.

What ADF grant cannot fund:

There are some things we are unable to pay for and these are shown below.

- Project activities outside of Nigeria, Rwanda, Sierra Leone, Zimbabwe or the UK;
- Any expenditure incurred on activities before the final letter confirming that the grant is approved;
- Costs of putting together your application and business plan;
- Contingency costs;
- Endowments (to provide a source of income);
- Items that mainly benefit individuals (for example equipment that is not used for business);

- Items that are purchased on behalf of another organisation which is not part of the consortia / lead organisation;
- Projects that cannot be completed within the duration of the grant period;
- VAT that you can recover;
- Activities outside of the law or against public policy, or anything that encourages ethnic, religious or commercial disharmony;
- Buildings (unless an integral part of the project idea);
- Expeditions, exchanges, holidays, study tours.

Match funding

The maximum grant available is £30,000 and a 20% minimum match cash contribution of £7,500 is required from all applicants. There are no restrictions on which budget line the match contribution is applied to, but should form part of the overall budget.

Formal approval and final offers to applicants will be made on the following basis:

- Having provided a realistic and viable financial forecasts clearly demonstrating the application of all funds required for the project;
- Providing evidence of availability of the £7500 unrestricted match funds.

INSURANCE AND SAFETY

It is your responsibility to ensure you/local partner have adequate insurance in place. This should include cover for any assets you buy or events and activities you run using our grant.

Employer's liability insurance

If any of your employees are normally based in England, Scotland or Wales you must have employers' liability insurance.

Other insurance

You will need to check what other insurance cover may be required in the countries where projects may be operating.

EQUAL OPPORTUNITIES

We actively encourage applications that represent a wide cultural reach and diversity in terms of age and gender.

DATA PROTECTION AND FREEDOM OF INFORMATION

Data protection

We will use the information you give us during assessment and throughout the life of your grant (if awarded) for administration and research purposes. We may share all or some of this information with individuals and organisations involved in the implementation of the ADF programme.

We may share information with organisations and individuals with a legitimate interest in AFFORD's business development activities.

We might use information provided by you to conduct appropriate identity checks. Personal information that you provide may be disclosed to a credit reference or fraud prevention agency as part of our due diligence checks.

If you provide false or inaccurate information in your application or at any point in the life of any funding we award to you and fraud is identified, we will provide details to fraud prevention agencies, to prevent fraud and money laundering.

We recognise the need to maintain the confidentiality of vulnerable groups and such details will not be made public in any way, except as required by law.

Freedom of Information

The Freedom of Information Act 2000 gives members of the public the right to request any information that we hold. This includes information received from third parties, such as, although not limited to, grant applicants, grant holders, contractors and people making a complaint. If information is requested under the Freedom of Information Act we will release it, subject to exemptions (where business interest is involved), although we may consult with you first. If you think that information you are providing may be exempt from release if requested, you should let us know when you apply.

For further information about this prospectus or application form, please email us at adf@afford-uk.org.