

REQUEST FOR PROPOSALS

USADF ACCELERATE AFRICA ENTREPRENEURSHIP CHALLENGE

OPEN FROM SEPTEMBER 6 – SEPTEMBER 30, 2022

BACKGROUND ON THE ACCELERATE AFRICA ENTREPRENEURSHIP CHALLENGE

USADF's Accelerate Africa Entrepreneurship Challenge is an initiative of USADF's Youth and Women Entrepreneurship Portfolio designed to address Africa's youth bulge, economically empower youth and women, and impact job creation across Africa.

The Accelerate Africa Entrepreneurship Challenge is intended to invest in Micro, Small, and Mid-Size enterprises (MSMEs) that:

- Address Africa's youth bulge by prioritizing job creation to enhance youth productivity and livelihoods
- Economically empower youth and women to apply business solutions to social problems and create sustainable employment across Africa
- Addresses unmet needs of underserved and at-risk communities and/or market demand
- Formalize market opportunities and supply chain linkages for youth and women-owned MSMEs

INTRODUCTION

USADF is excited to request proposals for the USADF Accelerate Africa Entrepreneurship Challenge. Proposals of up to US\$250,000 in grant capital per award will be considered.

To be considered for the Challenge, applicants must be 100% African-owned and -managed MSMEs or ventures registered and operating in Africa.

Projects must be **innovative scalable enterprises that address local needs through the creation of jobs and wealth**. These projects should clearly outline the expected impact on communities and livelihoods, an increase in job creation, improvement of women's access to funding, reduction of poverty, and enhancement of youth productivity.

Winning applicants will receive:

- Grant capital of **US\$50,000 to US\$250,000** from USADF
- Access to intensive local technical assistance and governance support

ELIGIBILITY CRITERIA

USADF will consider proposals from 100% African-owned and managed companies. **Passports or other government-issued IDs of all owners and senior managers must be submitted with the applications.** If the applying entity is owned wholly or in part by another entity, passports or other government-issued IDs of its owners must also be provided. The applying entity must be a for-profit enterprise and must not be government-owned, operated, or affiliated in any way. Applicants may be developers of their own technology and/or may be acquiring and implementing technology developed elsewhere. Applicants need to be legally registered in Africa and demonstrate the capacity to track and manage the project resources and operate in good standing with the local governments in which they operate.

Winning proposals must:

- Further develop, scale up or extend the use of proven solutions/technologies for social impact in Africa.
- Benefit underserved populations or low-income rural or urban populations
- Demonstrate financial sustainability or the potential for financial sustainability
- Propose a budget of no more than US\$250,000. Proposals with budgets greater than US\$250,000 must bring leveraged resources from one or more other sources that meet the total financing requirements. Leveraged funds from other private sector and donor sources are encouraged
- Demonstrate clearly whether and how many new jobs will be created
- Women-owned or -managed business is a plus

Applications will only be considered if they:

- Entity is African 100% owned and managed, registered, and operating within Africa
 - Owners must provide passports or other government-issued IDs showing citizenship are submitted.
 - All shareholders, members of the board and senior management must be citizens of a sub-Saharan African country
- Express clearly how they will benefit underserved populations across Africa including showing demonstrable positive impacts for youth and women
- Express clearly how they will achieve sustainable growth
- Fully and legally registered in Africa, and the registration is submitted
- Document adequate expertise in the field they are proposing or document how they will acquire the necessary expertise
- Clearly document how they will use USADF grant capital to carry out their concept

PROPOSALS

All applications will be reviewed in two phases: Phase I applications will be reviewed and evaluated by an expert panel of judges. Only shortlisted applicants will be contacted to begin Phase II of the application process. Applicants that are not shortlisted in Phase I will not be contacted.

Winning proposals will have the following characteristics:

- **Impact:** the potential for impact and a demonstration of how the venture will improve and change underserved and at-risk communities in which the grants are implemented
- **Address Unmet Need:** the degree to which the venture addresses unmet needs of underserved and at-risk communities and /or market demand
- **Sustainability:** How sustainable is the venture and/or is the venture and/or enterprise? (Donor-dependent” enterprises will not be selected)

PHASE I APPLICATION PROPOSAL TEMPLATE (FOR SUBMISSION BY SEPTEMBER 30, 2022):

Applicant Background Information

- Name and ownership details. Passport verification of citizenship.
- Business Certificate of Incorporation
- Certified Copies of Corporate Affairs Commission (CAC) Forms 2 and 7
- Certificate of Occupancy for Business Address
- Tax Clearance Certificate
- Applicant history, legal address, and contact information

Applicant Profile

- Current Activity
- Past track record of accomplishments (if applicable)
- Past Financial performance including 2 years of audited financial statements (if available)
- 3 Business References

Proposal

- Summary of concept
- Location and target market/population. Document showing legal right to work in site will be required prior to disbursement of funds.
- Description of the problem the concept addresses
- Description of concept
 - Brief description of proposed activities
 - Goals, objectives and intended impact
 - Intended number of direct and indirect jobs created and logic behind accounting for this data
 - Plans for future replication
- Key risks and plans to mitigate
- Environmental, health, safety and security compliance
- Senior management and technical team and background including verification of citizenship
- Ownership and governance
- Relevant expertise
- Proposed timelines/milestones
- Technical system design & single-line diagram
- Financial Sustainability
- Financial Estimate
- Estimated return on investment
- Total project cost
- Status of other investors/funders
- Status of any outstanding liens or loans

Proposed Use of Funds

- Description/narrative for the use of funds
- Budget line details, including budget categories and budget estimates
- Budget justification (line-by-line justification of each budget item)



- A detailed budget justification is to be included. The narrative should describe why the proposed equipment is appropriate in size and scope for this plan. This is to show why each budget item proposed is required and why each budget item is needed at that level.
- Three quotes are to be included for all items over US\$3,000. Contact information for the quotations is to be included. Quotations should provide specifications of items being proposed. During the due diligence phase, all costs for budget items over US\$3,000 will be verified.
- Cost verification of the equipment to be purchased will be an important element for approval. In addition to the three quotes submitted as part of the application for all items over US\$3,000, during the due diligence phase for shortlisted applicants, three competitive quotes are to be submitted for each item over US\$1,000 and less than US\$3,000. Selected quotations should identify a vendor for items between US\$1,000 and US\$3,000 with contact information as well as an explanation of why the item's cost is reasonable.

The Application is not to exceed FOURTEEN (14) PAGES (with a font size no smaller than 10-point font).

Attachments for Phase I

- Nationality verification documents of owners and senior management (passports)
- Certified Copies of Corporate Affairs Commission (CAC) Forms 2 and 7
- Certificate of Occupancy for Business Address
- Tax Clearance Certificate (2022)
- Referral letters
- Technical system design & single-line diagram
- Financial model
- Prior audited financial statements (up to three years where available)
- CVs of key management and technical personnel
- 3 quotations with contact information for all items over US\$3,000

PROPOSAL ASSESSMENT AND PRIMARY SCORING CRITERIA

The following criteria will be used to assess and score proposals. It is important that each criterion be fully addressed and clearly explained in the proposal.

1	Youth or women-owned organization aimed at improving the lives of underserved populations with a focus on job creation and impact	30%
2	Viable innovative approach or new solution to a long-identified problem	25%
3	Viability of the proposal speaks to the pragmatic and concrete elements that bring an idea to fruition but also to long-term growth. The application should include internal logic such that it could be a profitable and/or sustainable business model	25%
4	Potential long-term commercial viability and financial results, including the ability to make use of debt and/or equity investments	10%
5	Likelihood of successful execution and applicant's capacity to execute, including prior related experience and track record of success (including the potential of the applicant highlighting lessons learned from or displaying the necessary skills or passion to sustain a new venture).	10%

To score well according to the above criteria, successful applicants should make sure to address the following:

Under the applicant profile section:

- **Credibility and organizational soundness:** This should describe the organization that is applying as well as partners and key stakeholders.

Under the concept description section:

- **Primary Impact:** How will this solution impact the livelihood of youth and women? Will direct or indirect jobs be created because of this solution?
- **Catalytic Impact:** After the investment period ends, how will the enterprise continue to scale/replicate? How is the applicant's business model or team differentiated from others?
- **Project Viability:** How will the enterprise demonstrate profitability, including at a minimum revenue covering operating costs before the investment period ends?
- **Risk Assessment:** What are the key risks facing the successful development, implementation, and sustainability of this concept? All environmental issues relating to the project should be fully addressed in this section.

APPLICATION PROCESS

All applicants must submit a completed proposal template in English or French. All applicants are required to use the linked application template (provided on the USADF website: www.usadf.gov/apply). The completed application template along with the required documentation should be submitted by email on or before **September 30, 2022**, to the following email addresses respectively:

Email	Country
EntrepreneurshipBEN@usadf.gov	Benin
EntrepreneurshipBFA@usadf.gov	Burkina Faso
EntrepreneurshipBDI@usadf.gov	Burundi
EntrepreneurshipCIV@usadf.gov	Cote d'Ivoire
EntrepreneurshipDRC@usadf.gov	Democratic Republic of Congo
EntrepreneurshipKEN@usadf.gov	Kenya
EntrepreneurshipLBR@usadf.gov	Liberia
EntrepreneurshipMWI@usadf.gov	Malawi
EntrepreneurshipMRT@usadf.gov	Mauritania
EntrepreneurshipNER@usadf.gov	Niger
EntrepreneurshipNGA@usadf.gov	Nigeria
EntrepreneurshipRWA@usadf.gov	Rwanda
EntrepreneurshipSEN@usadf.gov	Senegal
EntrepreneurshipSOM@usadf.gov	Somalia
EntrepreneurshipSSD@usadf.gov	South Sudan
EntrepreneurshipTZA@usadf.gov	Tanzania
EntrepreneurshipUGA@usadf.gov	Uganda
EntrepreneurshipZMB@usadf.gov	Zambia

Proposals will only be accepted at the above email addresses for each respective country.

General inquiries can be directed to Entrepreneurship@usadf.gov and will not be accepted at other email addresses.



TIMELINE

Applications will be accepted from **September 6, 2022, to September 30, 2022**. Proposals received after the closing date will not be accepted. Applications are on a **first come, first served** basis, so it is advised that applications are submitted well ahead of the window close.

Applicants who continue to the Phase II process will be contacted by January 2023 for due diligence purposes and for clarification of the project concept and details. Applications that are not shortlisted will not be contacted.

ABOUT USADF

USADF IS THE U.S. GOVERNMENT'S INDEPENDENT AFRICAN ENTERPRISE DEVELOPMENT AGENCY. THE AGENCY INVESTS IN AFRICAN GRASSROOTS AND SMALL- AND MEDIUM-SIZED BUSINESSES; PROMOTES LOCAL ECONOMIC DEVELOPMENT; AND CREATES PATHWAYS TO PROSPERITY FOR UNDERSERVED COMMUNITIES. UTILIZING A COMMUNITY-LED DEVELOPMENT APPROACH, USADF PROVIDES SEED CAPITAL AND LOCAL PROJECT MANAGEMENT ASSISTANCE TO EARLY-STAGE AFRICAN ENTERPRISES AND ENTREPRENEURS ADDRESSING AFRICA'S BIGGEST CHALLENGES AROUND FOOD INSECURITY, INSUFFICIENT ENERGY ACCESS, AND UNEMPLOYMENT, PARTICULARLY AMONG WOMEN AND YOUTH. ANNUALLY, USADF'S GRANT ASSISTANCE GENERATES APPROXIMATELY \$100 MILLION IN NEW ECONOMIC ACTIVITY THROUGHOUT 20 AFRICAN COUNTRIES. LEARN MORE AT WWW.USADF.GOV.