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NOTE FROM THE ADM

Supporting Entrepreneurship for Diaspora-Driven Development

Fourteen diaspora-driven businesses in seven countries were awarded matching grants ranging from \$50,000 to \$100,000 at the African Diaspora Marketplace event in Washington, DC, sponsored by the US Agency for International Development (USAID) and Western Union Company.



Photo credit: Western Union

Raymond Rugemalira, one of 14 winners of the African Diaspora Marketplace business plan competition.

“I want to help improve the lives of small scale farmers by offering them markets via mobile phone technology so that they can concentrate on what they know best to do, which is to farm,” says Raymond Rugemalira.

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Raymond Rugemalira, a successful businessman in California, had started a business venture, called Uza-Mazao, that he hoped would positively impact thousands of people in his home country of Kenya. He had developed a mobile phone application that would dramatically improve the ability of small-scale farmers, producers and traders in Kenya to do business. Using SMS messaging and a special algorithm developed by Raymond and his team, the tool will dynamically match buyers and sellers based on prices, quantities, and locations. Leveraging the exponential rise of mobile phones in Africa, Raymond’s application will help aggregate scores of small farmers into “virtual cooperatives,” helping them to sell their products more easily, making them more accessible to buyers around the region, and increasing their economic outputs. This application will change the way farmers do business and will positively impact thousands of people. His dream led him to Washington, DC where he and his partners of his business venture, Uza-Mazao, traveled in January from Crestline, California to Washington, DC to present their idea at the African Diaspora Marketplace (ADM).

Raymond and his partners were among 58 entrepreneurs gathered in Washington, DC on January 12-13, 2010 to present their business plans for the ADM Finalist Event hosted at the Academy for Educational Development (AED). The ADM is an entrepreneurial business program seeking to catalyze the entrepreneurial spirit and resources of the U.S.-based African diaspora community to boost economic opportunity in Sub-Saharan Africa through sustainable start-ups and established

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enterprises. Selected from more than 730 applicants, the finalists were competing for one of 14 grants that would be awarded as matching funds to support the execution of their business plans. The grants were financed jointly by USAID, the Western Union Company and the Western Union Foundation, and through Western Union® Agent Giving Circles featuring Ecobank Transnational Incorporated (ETI) in Africa and Irv Barr Management in the United States. The Academy for Educational Development (AED) helped organize the ADM event in association with the Training Resources Group, International Resources Group, and QED Group.

By the end of the day, 14 diaspora-driven businesses representing seven sub-Saharan countries were awarded matching grants ranging from \$90,000 to \$100,000. In addition to Raymond's venture, winning entries included a wide-range of innovative business endeavors including: a commercial plant tissue culture business that uses biotechnology to increase yield and quality of produce for Ethiopian agriculture producers; and a franchise business model that will empower female nurse entrepreneurs to improve access to healthcare and reduce the burden on government hospitals in Ghana.

Speaking at the event, Karen Turner, Director of USAID's Office of Development Partners, remarked "The African Diaspora Marketplace has demonstrated that partnership and innovation can lead to powerful solutions to development challenges... [the] ADM highlights not only the value of public-private partnership but also the contributions that U.S. diaspora communities can make. [The] event also shows how widely the spirit of entrepreneurship and commitment to economic opportunity – central themes of the upcoming Presidential Summit on Entrepreneurship – are shared."

During the summer of 2009, USAID's team conducted an open call for proposals and received 733 business proposals, which were reviewed by diaspora entrepreneurs, development technical experts and academia. Proposals were evaluated based on selection criteria including: management framework; prospects for sustainability; focus on results; and, the capacity to leverage diaspora resources. At the end of the multi-tiered evaluation process that occurred, 58 finalists were chosen on

October 27, 2009. During the culminating conference in January, the 58 finalists took turns selling their ideas to an independent panel of jurors, who hail from NGO, government, academic, and private-sector backgrounds.

"This is a rare public-private initiative that successfully harnessed the entrepreneurial spirit of U.S.-based African diaspora members to address poverty through business innovation," said Anne McCarthy, Executive Vice President of Corporate Affairs, Western Union.

For Raymond, the ADM grant is an opportunity to realize his goal of empowering the African farmer and the African trader, "enabling them to do what they know best, farming and trading." Uza-Mazao is in its last stages of development and testing in the US. E&M Capital Tek Corporation, founded by Raymond, will then launch in east Africa in the Spring of 2010, starting with Kenya and followed by Tanzania, Uganda, Rwanda and Burundi. After these launches they may explore possibilities for broader expansion to the rest of Africa.

"The finalists showed boundless ingenuity," said Sarah Mattingly,

For additional information about the ADM program, or future information about the 14 winning businesses, please visit www.diasporamarketplace.org

Further coverage of the event, including a short video can be found at America.gov

Technical Director of the African Diaspora Marketplace program within the AED Center for Enterprise and Capacity Development. “It’s an inspiration and reaffirms just how key the diaspora community can be in sparking economic growth and securing long-term development in Africa.”

The ADM program, an award under the USAID Office of Poverty Reduction, under AED’s FIELD-Support Leader with Associates program, is also designed to help facilitate access to technical assistance, debt and equity financing mechanisms, and market networks for all of the finalists. During the three-day conference in January, competitors participated in panel discussions and workshops aimed at assisting the diaspora entrepreneurs with extensive networking, additional funding opportunities, and an overview of the award granting process. Over the next 18 months, the ADM consortium will monitor the grant recipients and their progress.

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