

Grant application: OVO Fast Forward

1. Introduction

Through its Business-to-Business (B2B) pillar, Ondernemers voor Ondernemers (OVO) directly supports micro, small and medium entrepreneurs (MSME's) in low and middle-income countries. These entrepreneurs generally have very limited access to capital, expertise and technology. This hampers many of the valuable initiatives of promising local entrepreneurs. Growth-oriented entrepreneurs are one of a country's best hope for spurring innovation, starting-up or revitalizing industry, reducing unemployment and spreading social prosperity. Therefore, it definitely makes sense to invest in promising enterprises, start-ups as well as scale-ups.

Project SusTech4Africa (ST4A) is a systematic approach by OVO to attract business project ideas from African entrepreneurs and, thru coaching, transform these ideas in solid business and financial plans. Approved plans are presented to Belgian private sector partners and private persons to solicit a loan to start up or to scale up the new business in Africa. The loan is paid back within 3 – 5 years.

The same approach is used for the African Diaspora (ST4A Diaspora) in Belgium which leads to greater involvement and motivation of their members and all stakeholders in Belgium.

End 2020, OVO has implemented its Sustech4Africa approach, besides yearly for the Belgian diaspora, also in 3 African countries: Uganda (2018-2019-2020), Rwanda (2019) and Senegal (2020). 80 African MSME's participated in one of the 8 Boost Camps (mid 2021). OVO facilitated an investment in 23 (36 %) of the Boost Camp alumni by mid 2021.

Furthermore, OVO organizes a high-level yearly event around relevant societal themes related to development in the upcoming countries with important key-note speakers from the economic, financial, academic and political world as well from the civil society.

2. General objectives

Create opportunities for MSME's in developing Africa countries. Contribute to Private Sector Development (PSD) in 6 African countries by involving experienced coaches and attracting investment of Belgian private sector (PS4D).

As a result, poverty is reduced in those countries (SDG1), economic growth and decent work is guaranteed (SDG8) and sustainable production and consumption is promoted (SDG12). Projects are assessed on all 17 SDG's.

3. Specific Project Objective

By the end of 2024, OVO is on full speed and invests yearly in 40 (mainly) start-ups in 6 focus developing countries with the involvement of the African Diaspora living in Belgium.

4. Project/Program results

Following results are projected by the end of the project:

- Result 1: min 15 and max 18 project calls and corresponding boost-camps organized
 - Result 2: Coaching of +100 start-ups, including African Diaspora business ideas.
 - Result 3: + 40 approved business plans and financing, including Diaspora.
 - Result 4: Roll-out of Business Clubs and Volunteer Clubs to all countries (6)
 - Result 5: 1 inspiration tours/year per African country, including potentially investor trips.
 - Result 6: One inspiration tour & boost-camp/year in Belgium. Following our inspiration tours to Africa, every year a number of African Entrepreneurs is invited to hold a boost camp together with Belgian Companies. The focus of the boost camp is on finding solutions for challenges of the Belgian companies. The African entrepreneurs act as coaches.
- The interaction will eliminate many prejudices and close the gap between African and European entrepreneurship.

5. Management and implementation structure of the program/project

OVO is fully committed to two-way transfer of knowledge and sharing of production resources. It has come a long way in this regard, and now it is time to put in place the final pieces of the puzzle to fully embrace this two-way approach. This requires that OVO works towards decentralizing its own operations. In the first instance, OVO must send the right signals and put its money where its mouth is. In addition, this offers an important advantage to achieve the further growth of the organization in a cost-effective manner. In decentralizing, OVO is guided by the principle of subsidiarity. **This means that the 'Africa operations' should be driven and implemented primarily by local forces.** This will have a positive effect on 'ownership'.

We aim for a three-prong approach:

- Develop a local sustainable business network for East-Africa
 - o Roadmap
 - Training of promising sustainable young businesses
 - Start Business clubs in each focus country (already implemented in Uganda)
 - first look at what functions we want to fill locally in Africa (entrepreneurial advice, finance, risk management, financial control, IT...) - then looking at the means to achieve this (HR, office space, IT...)
 - then look at 'how': in-house OVO versus local partners, payroll versus volunteers, permanent versus project-based
 - Finally develop structures such as 'Regional Offices'.
- Develop a local sustainable business network for West-Africa
 - o Roadmap
 - Same approach as for East-Africa
- Strengthen the Belgian activities
 - o Strengthen the connection with the African Diaspora in Belgium
 - Yearly event for all stakeholders (Diaspora, businesses, Universities, Civil Society)
 - Regular dedicated events (during weekends) for specific African communities (e.g. Uganda, Rwanda,...) not available during working hours.

- Coordinate with the East and West African countries.
- Inspiration tour and boost-camps in Belgium (as well as in Africa)

6. Relevance to Belgian policy development cooperation

- Since the end of 2020, we execute **an SDG-assessment** on every project/business idea that leaves the ST4A boost camp when starting its extended acceleration program with OVO Invest team. The SDG assessment is used to determine for the project all positive contribution to SDG's, whilst at the same time identifying possible negative or reverse contributions to SDG's. This is done in a dialogue form between the project owner and the OVO Invest screening-coaching team.

The objectives are (1) raise awareness about the SDG's, (2) promote the positive contribution to the SDG's in the later selling process to Business Angels, and (3) take measures to minimize the impact of negative contributions to the SDG's.

- make the most vulnerable people on the planet self-reliant and give them the tools to take control of their lives (resilience empowerment).
- inclusive economic growth as the basis for the support to the private sector.
- strengthening female entrepreneurship as part of the fight against.
- combat climate change and the degradation of the environment
- OVO makes financing more accessible for small structures.
- The partnership with non-governmental actors is at the heart of the OVO (and Belgian) policy of international solidarity, as well with other organisations in Europe and Africa (see also European Business Award for Development 2020 awarded to OVO).

7. Duration

From 01/09/2021 to 31/08/2024

8. Budget requested from Belgian Government

300 000 Euro over 3 year

Budget allocation : 100 000 Euro per year as follows:

- Sustech4 Diaspora : 10 000
- Yearly high profile event, country specific weekend events for Diaspora, coordination and reporting: 30 000
- East Africa roadmap : 30 000
- West Africa roadmap : 30 000

9. Date

June 8th 2021