



# MADE West Africa Match-Funding Contribution 2018-2019

## *Call for proposals*

### *Concept note:*

*Small-scale grant in match-funding for actions for the promotion of the positive potential of migrants for development from Ghana and Sierra Leone*

*Application Deadline: 20 August 2018*

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## **1. MADE-in-Action Pilot Fund 2018 – 2019**

The "Migration and Development West Africa project, Partnership for a Governance of Migration and Rights-Based Mobility" or MADE West Africa which is funded by the European Commission was launched by AFFORD (African Foundation for Development), the Centre for Migration Studies (University of Ghana), the FORIM (Forum of International Organizations of Migration Issues) and ICMC Europe (International Catholic Migration Commission). MADE West Africa's general objective is to promote good governance of migration and mobility, as well as the protection of the rights of migrants in the ECOWAS region, in order to increase the benefits of migration and mobility on development.

This objective is achieved through an in-depth three-year work on six pilot countries, namely Burkina Faso, Ghana, Guinea, Senegal, Sierra Leone and Togo, in three pillars:

- The implementation of the ECOWAS Free Movement Protocol;
- Respect for the rights of migrant workers; and
- Maximizing the contribution of diaspora to the development of countries of origin.

The third component of the project "Maximizing the contribution of diaspora to the development of countries of origin" which looks at effectively channelling migrants' remittance into development and job creation is implemented by AFFORD and has for its case-studies Ghana and Sierra Leone and FORIM, with Burkina Faso and Togo.

The MADE West Africa programme offers small grants to migrant and civil society organizations in the six target countries of the programme in order to encourage actions that could support the three objectives of the project. This **2018 – 2019 matching Seed Fund** is coordinated by the partners of the project. It concerns small grants of 8000 EUR in match-funding to each selected civil society organisation to support advocacy or practical activities from October 2018 to March 2019 (6 months).

This call for proposals specifically concerns Ghana and Sierra Leone, both target countries for the actions of the MADE West Africa program, particularly with regard to maximizing the contribution of diaspora to effectively support development and job creation in Ghana or Sierra Leone. It is part of a series of actions implemented by AFFORD in partnership with local organisations. AFFORD has already produced a short report entitled: "Promoting the Positive Potential of Migrants for Development: The Case of Ghana and Sierra Leone". In addition, AFFORD organised a multi-stakeholder meeting in Accra, Ghana on 11 and 12 July 2017 as well as in-country training workshops on 1 and 2 March 2018. In-country training workshops were also organised in Freetown, Sierra Leone on 12 to 14 June 2018.

**Only one grant will be provided for activities in this call for proposals.**

## **2. Country Focus Africa – Ghana**

Ghana remittance received in 2017 bagged at \$2.2 billion from a total of \$38.4 billion in Africa, according to the World Bank's Migration and Development Brief. Remittance flows to Ghana form an important source of foreign currency transfers to the country, making up approximately 5% of GDP in 2016, thus constituting the largest foreign exchange earner. About 30% comes from individuals while the remaining amount came from religious and NGOs. The value of migrant remittances increased from \$201.9 million in 1990 to \$1.55 billion in 2005. The increase in remittances means that the remittances market is of strategic economic importance, with enormous growth potential for the economy of the country.

Research done by the Ghana Statistical Services (GSC) found that out of the 1,200 households surveyed, almost all use their remittance to buy basic necessities, such as food, clothing and household goods, with a lower priority given to investments or savings. While the primary use of remittances is prioritized on consumer goods, this may not be the reality for some recipients. Joseph Teye from the University of Ghana found that the high transaction cost of remittance means that "it is the poor who suffer the brunt of the high tariffs". For that reason, indicators such as poverty reduction and economic growth may not be achieved if recipients only get a small portion of the remittance sent to them.

The Ghanaian government, has taken several steps to improve the use of remittance for development purposes. Under the Financial Sector Reform policy, the Government has introduced 'Remittance Grant Facility' as a way to reduce transaction costs and barriers to access remittance for Ghanaian remittance senders and recipients (Kwetey, 2010). In 2008, the Ghanaian government also initiated the 'Golden Jubilee Savings Bond' which is a 5 year government bond scheme. The purpose of it is to raise money for development projects in all 10 regions of Ghana because diaspora bonds have been identified to be a great source of wealth for Ghana. The success of these policies can be evident with the Bank of Ghana report

stating that migrant remittances to Ghana has increased from USD\$2.1 billion in 2010 to USD\$5.0 billion in 2015. The rapid increase is attributed to a combination of factors including increasing use of formal channels, better remittances data capturing by the Bank of Ghana and increase in financial transfers by migrants. All in all, while positive steps are being taken by the government to ensure that remittance can be used to promote development, more grass-root methods need to be taken into consideration in order to ensure more sustainable development growth for Ghana.

### **3. Country Focus Africa – Sierra Leone**

Migrant remittances are considered an essential source of foreign currency inflow into the Sierra Leonean economy (Krishnan et al., 2009). It is estimated by IFAD (2009) and UNDP (2009) that Sierra Leonean migrants' annual remittance inflows are approximately \$168 million or just around 12% of GDP. The government's calculations, however, put the figure between \$250 million and \$400 million, or between 20% and 25% of GDP, which is considered to be among the highest in Africa. The significant contribution to foreign remittance flows comes from diasporas from Western Europe and North America, who are highly skilled and qualified workers. This is especially important owing to the brutal civil war in Sierra Leone which lasted for over a decade, leaving the country and the people living there helpless and wrecked. Thus, the contribution of diasporas overseas in providing remittance plays a huge role in helping to rebuild Sierra Leone's socio-economic development.

The benefits of remittance ranges from increased source of foreign currency reserves which can be used in the banking system to lower interest rate and improve lending to supporting families by helping to assist on the provision of human capital (e.g. education and health), physical capital (e.g. micro-enterprises) and financial capital (e.g. savings and investments). All in all, the inflow of remittances has a positive effect on the socio-economic development prospects of Sierra Leone and thus can help achieve the Sustainable Development Goals (SDGs).

However, it is important to note that youth unemployment was at 70% (2016). This is made worse when the country faces daunting challenges of poor infrastructure and widespread rural and urban impoverishment. Poverty remains at 53% of the population living on less than US\$ 1.25 a day and unemployment and illiteracy levels remain high, particularly among youth. For those reasons, while remittances has effective uses, the money given to families is not helping to generate employment, poverty reduction, and economic growth for Sierra Leone.

### **4. Selection Criteria: Thematic Objectives and priorities**

The MADE West Africa match fund for Ghana or Sierra Leone therefore aims to support actions for maximising the effectiveness of diaspora support to development and job creation in Ghana OR Sierra Leone.

In order to be eligible under the MADE pilot fund, actions must primarily aim at policy changes or the implementation of relevant actions at local, national or even regional level that

contribute to the channelling of different types of remittances into development and job creation. The actions that will be selected for this seed fund should include the following elements: the establishment of forms of multi-stakeholder cooperation (national, local authorities, NGOs, local and grassroots organizations, trade unions) that can lead to the reproduction of identified successful practices and/or networking actions at local, national or even regional level.

They will have to be inspired from the recommendations of the report “Promoting the Positive Potential of Migrants for Development: *The Case of Ghana and Sierra Leone*”. (Document available upon request)

The aim of the grant is to support any action, which will stimulate and harness diaspora resources in order to create jobs to enhance the local or national economy.

The main objectives of the grant are to:

- Facilitate match-funding for innovative, responsible diaspora enterprises in niche, emerging and diverse sectors
- Provide business and capacity-building support to diaspora and local entrepreneurs to optimise their projects viability, sustainability and growth
- Facilitate access to existing and new types of structured investment channels and vehicles
- Build transnational linkages and networks to facilitate increase in the diversity, volume, availability and impact of diaspora investment
- Advocate and facilitate reduction in remittance transaction costs; increase in collective remittances; and increased investment in regenerative activities.

NB: Applicants should aim to achieve at least one objective and a maximum of two (2) Objective.

Examples of actions can include:

- Policy Advocacy e.g. advocacy roundtables that engage key stakeholders including government on SDG goal 10c that Incentivise informal remitters to use formal channels
- Diaspora led initiatives e.g. Providing technical assistance to a National or Local authority to produce diaspora engagement policy
- Educative programme – e.g. educating locals on the effective use of remittances – end goal is to create jobs and economic growth

## 5. Selection criteria and eligibility

- **Not-for-profit:** Only non-profit organizations or business working on migration and development issues are eligible to apply.
- **Only one application:** Applicants can only submit one application for this call. Each organisation and/or an individual may apply for a grant only once within the scope of the same competition. For the avoidance of doubt, you cannot apply both as an individual and as a part (being a member of the board, director or representative) of an organisation.

- Businesses, organisations and/or individuals are eligible to put in one application for the MADE match fund. AFFORD cannot accept more than one application from the same entity for the same competition.
- **Thematic advocacy area:** Applications must relate to the thematic advocacy area identified in the section above.
- **Target country:** Activities can only be implemented in Ghana or Sierra Leone.
- **Targeted applicants:** Applicants must be based in the diaspora (Europe), Ghana or Sierra Leone but partnerships with organisations in other countries are possible.
- **Action submitted:** The action should include the implementation of advocacy actions and / or the practical implementation of innovative practices or identified best practices regarding the effective channelling of diaspora and migrant resources into development and job creation in Ghana or Sierra Leone.
- **Partnerships:** the application needs to be submitted by one organisation, however activities may be implemented in partnership with other civil society organisations, or in partnership with other stakeholders.
- **Time-frame:** activities need to be implemented between October 2018 to March 2019 (6 months).
- **Language:** applications must be in English
- **Budget:** This is a match – fund grant of **8000 euros**. The successful applicant will need to match this with 15% (**1,200 euros**) to be awarded the grant.

Sources of match funds can come from:

- Funding through national schemes, including Government programmes and public funds
- Grants from statutory bodies, such as local authorities
- Contributions from the charitable sector, including donations from charities and trusts
- Contributions from the private sector
- Loans from organisations
- Own funds

**In-kind contributions are not accepted.** The co-financing cannot come from a European Union source.

The applicant will submit in the initial call:

- Their option for match funding, by indicating the kind (see the above 6 point list), the source and the approximate amount.
- documents of incorporation, registration, constitution bank details and statements
- Budget proposal detailing the use of the grant. Staff costs may not exceed 30% of the total amount.

## 6. Application and selection procedure

- Interested organizations should submit a completed application form and a budget proposal (annex 1) by the 20 August 2018.
- All applications need to be submitted by email only to [richard@afford-uk.org](mailto:richard@afford-uk.org).

- Applicants will receive a final decision from the selection committee at the latest three weeks after the application deadline. The Selection Committee will comprise of representatives of ICMC Europe, representative of AFFORD and Centre for Migration Studies (CMS).

## 7. Visibility

All products must show the MADE, ICMC and AFFORD logos and a logo and banner specifying that this activity has received funding from the European Union. All necessary visual material will be provided to you by ICMC-Europe upon the beginning of the activity.

## 8. Reporting

The applicant is requested to submit a financial and activity report of the action no later than 6 weeks after the end of the action, using a reporting template (which will be provided) and attaching all supporting documents of your activities.



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This project is co-funded by the European Union

