**TRANSFORM South Africa & Zambia**

**Background**

[TRANSFORM](http://www.TRANSFORM.global) is an impact accelerator led by Unilever, the UK’s Foreign, Commonwealth and Development Office (FCDO) and EY. It will provide innovation grants between £70k - £100k to impact enterprises in South Africa and Zambia. Unilever will provide in-kind support by a Project Lead for the duration of the 12–18-month grant-funded project. Impact enterprises can also request pro-bono bespoke technical assistance from EY, including EY Professional Consulting (EY Teams work with enterprises for up to 12 weeks, offering support to improve their businesses’ productivity, resilience, and capacity to scale), dedicated, 1:1 business Coaching, skills development workshops and training.

We believe that as entrepreneurs, you know the amount of funding that you need best. We encourage you to apply for a proportionate amount to your scale and ensure that you have capacity to utilise the funds over a period of 12-18 months. There is a limit of 25% of the budget that can be spent on CAPEX.

TRANSFORM uses the four stages detailed in [Acumen’s Blueprint to Scale](https://acumen.org/wp-content/uploads/2017/09/From-Blueprint-to-Scale-Case-for-Philanthropy-in-Impact-Investing_Full-report.pdf) report (page 13) to define the maturity of the enterprises that we work with. Most TRANSFORM grants are given to enterprises in the Validate and Prepare stages. TRANSFORM can, as an exception, work with Blueprint ideas. We find that enterprises at Scale do not need grants.

**Thematic priorities**

TRANSFORM will fund projects with impact start-ups and/or Small and Medium Enterprises (SMEs) in South Africa and Zambia who are working on:

|  |  |
| --- | --- |
| **Development challenge** | **Innovation priority** |
| Help create a **waste free world** with circular refill and recycling models. | |
| 1. Scale a circular economy through an **ecosystem of collection & processing** with focus on plastics and small sachets in low-income countries. | • Expand collection & processing specifically for small sachets, which is a pain point in the market and also rigid plastics.  • Invest in enterprises with novel collection & processing technologies that improve output and quality.  Example - [TrashCon](https://www.transform.global/network/trashcon/) |
| 2. Ensuring waste-collectors are part of the solution, receive a **fair pay and decent livelihoods** whilst promoting gender equality | • Aim to improve gender equality as the plastic waste sector remains a male-dominated industry particularly in African countries.  • Continue to promote dignity and fair pay for waste collectors.  *Example –* [*Hasiru Dala*](https://www.transform.global/network/hasiru-dala-innovations/) |
| Expand new business models (e.g. **refill**) and innovations (e.g. **recycled flexibles**). | • Source refill-reuse enterprises in new markets in low-income contexts.  • Scale refill-reuse technologies operating low-income environments in existing markets.  • Invest in material innovations that close the plastics loop in low-income community contexts.  *Example –* [*BOP Inc FMCG refill project*](https://www.transform.global/network/refill-bangladesh-by-bopinc/) |
| **Raise living standards and incomes** Help those working in rural and township ecosystems of small shopkeepers and direct sales agents to grow their businesses. This includes the entrepreneurs who are shopkeepers or rural sales agents and entrepreneurs who supply to or buy from them. | |
| **Direct sales agents and shopkeepers** in low-income communities lack finance and financial resilience. This hinders their ability to grow a business and makes them susceptible to financial and health shocks. | Providing/improving **finance** (credit & banking services) through:  - Create digital identities.  - Derisk loans through group lending and proxy credit scores.  - Reduce banking costs: Cloud-based payments & mobile money.  - Create flexible financial products.  *Example –* [*Aye*](https://www.transform.global/network/aye-finance/) *Finance* |
| Formal education does not equip people with the necessary capacity to succeed in the informal economy. | Improving business and financial skills through **training for shopkeepers and sales agents** that:  - Creates engaging content and digital access.  - Develops hybrid online/offline mentoring and peer to peer networks.  *Example –* [*Kidame Mart*](https://www.transform.global/network/kidame-mart-plc/) |
| **Future of Work** Equip young people with skills and opportunities in the informal economy | |
| Demographic changes mean that **young people** are unlikely to find employment in the formal economy**.** Young people involved in smallholder farming will need to create other income generating activities to protect themselves from the increasing unreliability of crops brought about by climate change. | Providing revenue & **income diversification** opportunities for young people in the informal sector to **connect to markets** for added value products and services.  - e.g. for health workers: diagnostics, behaviour change, marketing activation, surveys).  -e.g. for crop processing solutions (drying and storage) for small scale farmers who grow herbs and spices.  - e.g. for rural agents: livestock rearing, transport, lighting, mobile money.  - e.g. for urban agents: repairs, new FMCG distribution channels (social selling).  *Example –* [*reach52*](https://www.transform.global/network/reach52/) |
| Digital for Development innovations aim to 'onboard' large numbers of users. However, use data show there is relatively low uptake and considerable drop-off over time. | Increasing usage of **training** platforms through:  - Identify digitally-literate 'early adopters' and scale from there.  - De-risk and reward early use.  - Create agency through positive social identities.  *Example from existing TRANSFORM portfolio –* [*MESH*](https://www.transform.global/network/mesh/) |

**TRANSFORM criteria.**

In order to be selected, applications for projects must meet **all** of the following criteria.

**1. Alignment with impact and geographic priorities**

* Have a clear potential to create positive impact on low-income people’s lives in one of our thematic priorities (above).
* Be implemented in South Africa (ideally townships or rural areas) or in Zambia.
* Demonstrate at least one of the following:
  + A focus on serving beneficiaries and customers who are from marginalised communities:
    - Previously disadvantaged individuals in South Africa.
    - People living in extreme poverty.
    - Women.
    - Youth (18-35).
    - People with disabilities.
  + Businesses owned, founded or led by:
    - Previously disadvantaged individuals in South Africa.
    - Zambian citizens in Zambia.
    - Women.
    - Youth (18-35).
    - People with disabilities.

**2. Innovative approach** **to tackling social problems**

* + Propose a project which represents a new technology, business model or approach. This could involve taking a proven business model to a new market.
  + Demonstrate how TRANSFORM plays a catalytic role in the testing and scaling the innovation.
  + Be willing to share learnings for the public good and disseminate learnings.

*Note, intellectual property (IP) generated from the projects will be owned by the impact enterprise. Unilever, the FCDO and EY do not have exclusive use of this intellectual property. Only in the case that IP be abandoned or not used to benefit low-income communities, Unilever will take a worldwide, transferable license over the IP to transfer it to another party to use it to benefit low-income people.*

**3. Market-based solutions with the potential to reach operational sustainability.**

* + Demonstrate a clear pathway for the proposed project to be commercially viable at scale, with assumptions which can be tested through the project.
  + Show how TRANSFORM support unlocks resources/follow-on funding from other sources.
  + The application must come from a social enterprise, not an NGO.
  + The enterprise must have sufficient capacity and maturity to effectively deliver the project and to absorb the financing and in-kind support provided. This will be reviewed considering the amount requested in the range of £70-100k to be used within 12-18 months.
  + Unilever, the FCDO and EY cannot receive TRANSFORM funds to run internal projects. TRANSFORM funds must be provided to third parties only.

**4. Strong leadership and networks**

* + A commercially savvy CEO and/or leadership team who demonstrate personal commitment to the project.
  + A strong network of public, private and/or non-profit partners with evidenced traction relating to the proposed project.

**5. Clear value-add from partnering with TRANSFORM**

* Enterprises must be able to clearly articulate the value of partnering with Unilever, FCDO and EY – particularly considering the value of business support, in addition to grant funding.
* They must have the potential to operate in areas relevant to Unilever’s expertise and capability and where Unilever can add value.
  + Unilever can offer expertise in marketing, behaviour change, distribution and provide a test environment for innovations in their value chain with smallholder farmers, suppliers, manufacturing sites and small retailers.
  + Unilever is interested in how impact enterprises can provide new routes to market, become suppliers, incubate innovation and create purpose-driven brand stories. This test bed provides evidence both for Unilever specifically and for a generic corporate setting. TRANSFORM encourages enterprises to forge partnerships with both Unilever and other corporates.
* Through TRANSFORM, EY professionals provide bespoke technical business support to impact enterprises on a not-for-profit basis, helping tackle specific scale challenges.
  + EY provides coaching and consulting services on a range of topics including building/testing a commercial model, business planning and investment readiness, people and HR strategy, sales and customer strategy, IT strategy, data analytics and more.

**6. Additionality**

Proposed projects must be additional to those that Unilever, FCDO and EY would fund internally anyway under business as usual. The Selection Panel must be satisfied that projects demonstrate that they are additional using **at least one** of the additionality criteria below:

* Projects scoped to specifically reach low-income consumers.
* Projects being applied in new geographies.
* Projects where there is a first mover disadvantage.
* Projects with payback periods longer than normal commercial business cases.
* Projects with high-risk profiles.

**7. Protection of Personal Information**

This competition is jointly operated by FCDO, Unilever UK, Ernst and Young (UK) and the Technology Innovation Agency (TIA) in South Africa. Any relevant information submitted and produced during the application process concerning your application can be shared by one agency with the other, for its individual storage, processing and use.  

This means that any information given to or generated by TIA in respect of your application may be passed on to FCDO, Unilever and EY and vice versa. This would include, but is not restricted to:  

* The information stated on the application, including the personal details of all applicants
* Scoring and feedback on the application
* Information received during the management and administration of the grant, such as Monitoring Officer reports and Independent Accountant Reports

TIA is directly accountable to you for their holding and processing of your information, including any personal data and confidential information. Data is held in accordance with their own policies.  Accordingly, TIA will be data controllers for personal data submitted during the application.

FCDO holds and uses data in line with relevant [UK legislation](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Furl.za.m.mimecastprotect.com%2Fs%2F1GhkCvgx7zSE3YyUQDrk1%3Fdomain%3Dgov.uk&data=05%7C02%7Ckristin.klose%40fcdo.gov.uk%7C1410b2f59a9c4ffbd83008dc9a81c5f6%7Cd3a2d0d37cc84f52bbf985bd43d94279%7C0%7C0%7C638555129363321614%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=MRhC0xQWsg%2FakE1ns9iAJM59vsbJWUojKu4cJFue0bQ%3D&reserved=0), similarly TIA holds and uses data in line with SA POPIA Act.

TRANSFORM Concept Note

#### INSTRUCTIONS

*This is the first stage of the application process for funding and support from TRANSFORM. The Concept Note will be reviewed by the Selection Panel and, if successful, applicants will submit a Full Proposal. Please email your concept notes to:* [*Transform@tia.org.za*](mailto:Transform@tia.org.za)

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| To be completed by the Entrepreneur / Organisation | |
| Application Date |  |
| Organisation Name (*Please link your website URL)* |  |
| Organisation HQ Location *(Country and City)* |  |
| Countries where the organisation is registered |  |
| Entrepreneur Name *(Optional link to LinkedIn/bio)* |  |
| Proposed Project Name *(Maximum 5 words)* |  |
| Elevator Pitch *(Project overview in 2 sentences)* |  |
| Proposed Country/s of project execution  *(South Africa and/or Zambia)* |  |
| Primary Impact Area *(Please select one of: waste free world, raising living standards or future of work).* |  |
| Project Duration *(12 – 18 months)* |  |
| Funding Request (£) *(Please split out OPEX and CAPEX noting CAPEX should not exceed 15% of total)* |  |
| Potential Match Funding Contributions (£)  *(Include funder, amount, and if confirmed)* |  |

# BUSINESS OVERVIEW

Please provide an overview of your business highlighting its purpose, unique value proposition, business

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Please provide an overview of your business highlighting its purpose, unique value proposition, business model, financial viability, and funding (500 words).

# PROJECT OVERVIEW

Please provide an overview of the proposed project with TRANSFORM highlighting the reasons grant funding is required at this stage of development (500 words).

# COMMERICAL VIABILITY

Please outline the business model, how revenue is generated and how this project will improve your commercial viability and the potential pathway to scale (1 – 3 lines).

**INNOVATION**

Please outline what is innovative about the project, its approach to tackling social and environmental problems and detail why it should receive grant funding and technical assistance from TRANSFORM (1 – 3 lines).

**INCLUSION**

Please outline how the project will include the most marginalised groups, previously disadvantaged individuals in South Africa or low-income people in Zambia, women and/or people with disabilities (1 – 3 lines).

# IMPACT

Please outline how your business and the proposed project delivers social and/or environmental impact (1 – 3 lines).

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# INCLUSIVE LEADERSHIP

If, and how, is your organisation owned, founded or led by: previously disadvantaged individuals in South Africa or Zambian citizens in Zambia, women, youth (18-35) or people with disabilities? (1 – 3 lines).

# VALUE ADD

Describe the clear value-add the project will gain from partnering with TRANSFORM’s core organisations and how specifically you would benefit from receiving Unilever and EY business support (1 – 3 lines).

At scale, how could your innovation integrate into the value chain of Unilever and other corporates?

1. Unilever (1-3 lines).
2. Other corporates (1-3 lines).

**TIA DECLARATION (for SA applicants only)**

Please declare if you have previously or are currently receiving TIA funds through any programme or project (including through TRANSFORM), the year funded, how much (ZAR) and which programmes.