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Africa Directorate: Africa General Prosperity Fund: Strategy

Funding

Africa Directorate has been allocated a further £737 K for FY 15/16 as a result of Official Development Assistance (ODA) funding that became available in the 2014 Autumn Statement. This funding has been ring fenced for prosperity related activity and will operate as a separate fund: potential implementers are encouraged to engage with prosperity teams in British Embassies/High Commissions and submit bids for funding, in line with the guidelines below.

Strategy

The Africa Prosperity Fund will have an overarching theme of “Improving the Business Environment in Sub-Saharan Africa”. Activities will be closely aligned with the sectoral objectives below and will demonstrate how they meet the global conditions for growth.

Projects will need to incorporate a strong communications component, setting out how the project will influence change in the overall business environment, and should demonstrate complementarity with existing work by others, such as DFID and UKTI.

The Africa Prosperity Fund is intended to support economic development and capture and leverage strategic opportunities for UK trade and investment. In this respect, the Africa Prosperity Fund is closely aligned to the FCO’s four conditions for growth:

- i. **Openness:** Supporting an enabling environment that allows UK companies to work in a predictable, rules-based system.
- ii. **Reputation:** Using the UK’s expertise in a number of fields to pursue mutual prosperity goals: development outcomes for sub-Saharan Africa and commercial opportunities for UK business and institutions.
- iii. **Sustainability:** Ensuring growth is sustainable and equitable. This means that growth is inclusive and aware of the challenges that African countries face in adapting to climate change. Our programme would need to address the issues of vulnerability and resilience albeit under the wider concept of increasing the commercial relationship between the UK and sub-Saharan Africa.
- iv. **Opportunity:** Enabling UK business to seize opportunities to invest and trade in key African growth markets.

This additional funding also has the following conditions attached to it:

- i. UK economic interests should be a demonstrable focus of projects.
- ii. UKTI colleagues in Posts should be made aware of proposed projects to ensure they can take full advantage of any commercial opportunities and should be engaged where appropriate in implementation and in the review of project outcomes.
- iii. Posts are required to report any associated “Business Wins” against such projects.
- iv. Funding will be subject to FCO standard programme management processes and guidelines.
- v. The proposed funding is ODA and will need to meet the primary purpose test that it “is administered with the promotion of the economic development and welfare of developing countries as its main objective”.
- vi. We expect to see sustained increases in ODA activity recording. This would be linked to FCO staff time spent in implementation and administration of these projects and also in diplomatic time spent lobbying on the issues supported by these projects.

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Priority Sectors

A set of suggested priority sectors and objectives are outlined below and whilst the sectors differ from country to country depending on the particular context and circumstance, certain key growth sectors are common to all. Prosperity focussed funds will augment the FCO's role in achieving prosperity goals in the following sectors:

Agriculture: increased productivity in African agriculture, including through greater UK commercial and development engagement, UK exports and investments, and application of UK expertise.

Education: increased levels of education and skills to improve the strength of local workforces, including through use of UK expertise. Working with UKTI Education to alert relevant UK providers of upcoming opportunities and to help UKTI ensure they are well placed to bid and win contracts.

Extractives/Energy: improved transparency and management of extractives sector, leading to increasing levels of UK investment and commercial contracts for UK companies.

Infrastructure: Improvements in regulation and procurement of infrastructure projects by African governments resulting in greater investment in economic infrastructure including roads, energy, water and sanitation, and including commercial contracts/partnerships for UK companies.

The Bidding Process

Bidding window closing date: Wednesday 15 July – results issued late July.

We want projects funded to highlight to an external audience our aim of building a better business environment in sub-Saharan Africa. It is, therefore, crucial that each project explicitly contains within it a communications plan, illustrating how it will achieve these aims.

We recommend submitting bids for large scale projects with a multi-country/regional focus which deliver impact. As set out earlier in this document, each project should be eligible for Official Development Assistance.

Background

The combined economies of Sub-Saharan Africa have grown at nearly 5% per year in the last decade. The region has huge undeveloped natural and human resources, which, with the right management and high-quality, responsible investment, will be a source of sustainable future growth.

Accelerated economic growth in Africa creates opportunities for higher and more inclusive growth and sustained poverty reduction. Growth enables developing countries to become emerging economies and in turn major markets for the future. This economic growth when broad based and accompanied by diversification into a wider range of higher value sectors can reduce poverty through creating jobs, increasing livelihoods and growing African countries' tax bases allowing governments to deliver public services like health and education.

The UK Government wants to be part of this growth story and to build long term relationships of mutual prosperity.