

## Section A: Summary Information for Grant Categories on the BIG platform

### Equity Grants

Beneficiaries	Private Finance Companies (PFCs) investing in startup or existing SMEs
Grant Amount	Grants up to 6 percent of planned and actual investment in the selected firms spread over a period of 18 months on achievement of specified milestones.
Matching	PFC investment in the investee firms
Eligible Activities	PFC's costs of performing due diligence, managing, monitoring and supervising its investment in the firm
Ineligible activities	Dealings with alcoholic beverages, tobacco, radioactive materials, platinum, pearls, precious stones, gold and related products; nuclear reactors and related products, weapons, ammunition and other goods used for military and/or paramilitary purposes, luxury consumer goods.
Selection Process	<ul style="list-style-type: none"> <li>• Eligibility screening of PFCs</li> <li>• Registration of prospective investees on BIG platform</li> <li>• Attendance at induction workshop by prospective investees</li> <li>• PFC document validation</li> <li>• Grant award</li> </ul>

### Matching Grants

Beneficiaries	Existing SME for-profit private sector firms seeking to improve their business systems and processes
Grant Amount	\$10,000 - \$50,000
Matching	Cash or cash-equivalent funds of at least 50 percent of the total project budget
Eligible Activities	Technical Assistance (external consultancy services)
Ineligible activities	Dealings with alcoholic beverages, tobacco, radioactive materials, platinum, pearls, precious stones, gold and related products; nuclear reactors and related products, weapons, ammunition and other goods used for military and/or paramilitary purposes, luxury consumer goods.
Selection Process	<ul style="list-style-type: none"> <li>• Registration on BIG Platform</li> <li>• Eligibility screening</li> <li>• Participation at induction workshop</li> <li>• Points accumulation and qualification</li> <li>• Document validation</li> <li>• Grant award</li> </ul>

### Performance Grants

Beneficiaries	Existing MSME for-profit private sector firms
Grant Amount	US\$ 10,000 to US\$ 35,000

Matching	None required
Eligible Activities	Technical assistance, equipment and goods
Ineligible activities	Dealings with alcoholic beverages, tobacco, radioactive materials, platinum, pearls, precious stones, gold and related products; nuclear reactors and related products, weapons, ammunition and other goods used for military and/or paramilitary purposes, luxury consumer goods.
Selection Process	<ul style="list-style-type: none"> <li>• Registration on BIG Platform</li> <li>• Eligibility screening</li> <li>• Induction workshop</li> <li>• Points accumulation and pre-qualification</li> <li>• Business plans submission, evaluation, interviews and final selection</li> <li>• Document validation</li> <li>• Grant award</li> </ul>

### Institutional Grants

Beneficiaries	Academic institutions, industrial centres, research institutions, business membership organisations, and non-governmental organisations that are in consortium with at least 3 for-profit private sector firms
Grant Amount	\$50,000 to \$250,000
Matching	The funded consortium is required to provide matching cash or cash-equivalent funds of at least 50 percent of the total project budget
Eligible Activities	Technical assistance, equipment and goods related to a specific business idea, business plan or activity(s).
Ineligible activities	Dealings with alcoholic beverages, tobacco, radioactive materials, platinum, pearls, precious stones, gold and related products; nuclear reactors and related products, weapons, ammunition and other goods used for military and/or paramilitary purposes, luxury consumer goods.
Selection Process	<ul style="list-style-type: none"> <li>• Calls for proposals</li> <li>• Business plans submission, evaluation and interviews</li> <li>• Business visits, due diligence and final selection</li> <li>• Grant award</li> </ul>

### Innovative Grants

Beneficiaries	For-profit private sector enterprises seeking to substantively change the structure in the market
Grant Amount	\$50,000 to \$250,000
Matching	The funded consortium is required to provide matching cash or cash-equivalent funds ranging from 5 to 50 percent of the total project budget as would be determined
Eligible Activities	Technical assistance, equipment and goods related to a specific business idea, business plan or activity(s).

Ineligible activities	Dealings with alcoholic beverages, tobacco, radioactive materials, platinum, pearls, precious stones, gold and related products; nuclear reactors and related products, weapons, ammunition and other goods used for military and/or paramilitary purposes, luxury consumer goods.
Selection Process	<ul style="list-style-type: none"><li>• Calls for proposals</li><li>• Business plans submission, evaluation and interviews</li><li>• Business visits, due diligence and final selection</li><li>• Grant award</li></ul>

## **Section B: Detailed Information for Grant Categories on the BIG Platform**

### **Equity Grants**

#### **Grant eligibility criteria**

- The firm must be registered on the BIG platform and have attended an Induction Workshop
- The firm and the Private Finance Company (PFC) providing or proposing to provide Equity or Mezzanine Financing to the lead entity, must both submit the application. A PFC may be a fund management company, finance company and any other types of non-bank finance company permitted by the Securities and Exchange Commission, Nigeria;
- The PFC must have proven equity or quasi-equity investment in at least 5 other firms in Nigeria;
- The PFC must have attended one of the Induction Workshops for PFCs organized by the GEM project;
- The PFC and investee firm must provide an investment plan. The firm's investment plan must project a minimum Return On Invested Capital (ROIC) of at least 140 percent at the end of the fifth year
- There must be a signed Shareholder Agreement, or equivalent between the firm and the PFC, stating the proportion of equity or quasi-equity funding to be provided by the PFC, the duration of the PFC's commitment, the PFC's fees and incentive remuneration, the envisaged exit of repayment (in the case of quasi-equity) and other conditions governing the relationship between the firm and the PFC;
- There must be a signed monitoring and supervision agreement, stipulating the PFC's participation in all investment, finance, HR, marketing and product development decisions of the firm, and an agreement to actively participate in the management of the firm, as demonstrated by a plan to visit the firm at least six (6) times per year;
- The firm has less than 100 full-time permanent employees.
- The firm must be registered with CAC at the time of the first disbursement;
- The firm's revenues must not exceed \$1 million in the last fiscal financial year;
- GEM funding must be requested for utilization on eligible costs or activities;
- The firm must satisfy the requirements on Environmental and Social compliance;
- The tranches of the GEM funding must be utilized within 12 months; and
- The firm's business idea must result in increased sales for the business, increased value added per worker and creation of new jobs.

#### **Matching fund requirements**

The PFC's investment in the firm will be considered sufficient matching for the GEM funding.

## **Eligible costs**

The GEM Project will fund the PFC's costs of managing, monitoring and supervising its investment in the firm.

## **Contracting**

Successful grantees will sign a tripartite contract with parties namely: the Federal Ministry of Industry, Trade and Investment (FMITI), the firm and the PFC (the grantee). The contract commits the grantee to the terms and conditions of the grant.

## **Matching Grants**

### **Grant eligibility criteria**

Firms which GEM will consider for funding under this window must meet the following yes/no criteria:

- The firm must be registered on the BIG platform
- The firm has received notification that it has attained the minimum points that qualify the firm for a matching grant;
- The total GEM funding requested must be at least \$10,000 and no more than \$50,000;
- The firm must provide matching cash or cash-equivalent funds of at least 50 percent of the total project budget;
- The firm must satisfy the requirements on Environmental and Social compliance
- GEM funding must be requested for utilization on eligible costs or activities
- The firm's application must demonstrate that GEM funding will result in increased sales for the business, increased value added per worker and creation of new jobs.

### **Matching fund requirements**

Firms applying for matching grants are expected to co-invest in the project in order to ensure risks are shared and incentives are aligned. The expected level of matching funds will be at least 50 percent of total project costs in cash or cash equivalent.

The nature of the matching contribution will be approved on a project by project basis. Grantees will be required to fund the proposed activities upfront and the matching contribution will be in form of a reimbursement by the GEM project upon approval.

## **Eligible costs**

The GEM Matching grants will fund technical assistance costs (external consultancy services and related costs) associated with the following activities:

- Supply chain development
- Financial management
- Business transformation
- Customer relation management
- Human resources management

## **Grantee selection process**

- Firms are invited for an Induction workshop
- Eligible firms are admitted to BIG services
- Participating firms earn points on completion of technical support and capacity building programs.
- On accumulating the required number of points, final successful firms are approved grant award.

## **Contracting procedure**

Successful grantees will sign a “Matching Grant Reimbursement Commitment Letter” (MGRCL) with parties namely: the Federal Ministry of Industry, Trade and Investment, Federal Project Implementation Unit (FMITI, FPIU), and the firm (the grantee). The contract commits the grantee to the terms and conditions of the grant.

## **Performance Grants**

### **Grant eligibility criteria**

Firms which GEM will consider for funding under this window must meet the following criteria:

- The firm must be registered on the BIG platform;
- The firm has received notification that it has attained the minimum points that qualify the firm for a performance grant;
- The firm is a for-profit private sector company, partnership or sole trader. Unregistered firms or entrepreneurs can be eligible but will need to show evidence of a business registration at the time of the agreement signature;
- The firm must be operating in Nigeria;
- The firm must be operating in any of the following sectors ICT, Entertainment, Light Manufacturing (Agri-business & Industrial processing), Hospitality & Tourism and Construction & Real estate, or any activities related to one of these sectors;

- The firm must have no more than a fifty (50) full-time employees;
- GEM funding must be requested for utilization on eligible costs or activities
- The firm must satisfy the requirements on Environmental and Social compliance; and
- The firm's application must demonstrate that GEM funding will result in increased sales for the business, increased value added per worker and creation of new jobs.

### **Matching fund requirements**

No matching fund requirement

### **Eligible costs/activities**

Performance grants will fund technical assistance, equipment and goods. The grant will be tied to a business plan which details how the firms intends to use GEM funds.

### **Grantee selection process**

- Firms are invited for an Induction workshop
- Eligible firms are admitted to BIG services
- Participating firms earn points on completion of technical support and capacity building programs.
- On accumulating the required number of points, eligible firms are invited to participate in the GEM business plan competition.
- Submitted business plans are evaluated and undergo due approvals
- Final successful firms are selected for grant award.

### **Contracting**

Successful grantees will sign a contract with the Federal Ministry of Industry, Trade and Investment (FMITI). The contract commits the grantee to the terms and conditions of the grant.

## **Institutional Grants**

### **Grant eligibility criteria**

- The lead institution is an academic institutions, research institution, industrial center, business membership organization or non-governmental organization, in partnership with at least 3 of any of the following: a for-profit private sector company(s), partnership(s) or sole trader(s);
- The lead institution must be operating in Nigeria;
- The total GEM funding requested must be at least \$50,000 and no more than \$250,000;

- The lead institution and its partners must together provide matching cash or cash-equivalent funds of at least 50 percent of the total project budget;
- GEM funding must be requested for utilization on eligible costs or activities
- The institution must satisfy the requirements on Environmental and Social compliance
- Other eligibility criteria will be added depending on the call for proposals
- The GEM funding requested must be utilized within 15 months; and
- The proposed idea must result in increased sales for the business, increased value added per worker and creation of new jobs.

### **Matching fund requirements**

Firms applying for these grants are expected to co-invest in the project in order to ensure risks are shared and incentives are aligned. The expected level of matching funds will be at least 50 percent of total project costs in cash or cash equivalent.

The private partners should account altogether for at least 40 percent of the total project budget. To be called a partner, a for-profit private sector company(s), partnership(s), business organization(s) or sole trader(s) shall provide at least 5 percent of the total project budget.

The nature of the matching contribution will be approved on a project by project basis. Grantees will be required to fund the proposed activities upfront and the matching contribution will be in form of a reimbursement by the GEM project upon approval.

As a general rule, the following could be included as matching funds:

- Cash investment by the grantee and implementing partners in case of a consortium;
- Facilities provided by other institutions (e.g. equity investments, bank loans, overdraft facilities).

### **Eligible costs/activities**

The GEM Institutional grants will fund technical assistance, equipment and goods related to a specific business idea, business plan or activity(s). Depending on the call for proposals, the eligible activities could be works. However funding of works will necessitate an environmental and social management plan as part of the proposal, done by an independent consultant.

### **Grantee selection process**

- Calls for proposal
- Submission of business plans
- Evaluation of submissions and invitation for interview
- Site visits and due diligence
- Award of grant to successful firms



## **Contracting**

Successful grantees will sign a contract with the Federal Ministry of Industry, Trade and Investment (FMITI). The contract commits the grantee to the terms and conditions of the grant.

## **Innovative Grants**

### **Grant eligibility criteria**

- The firm is a for-profit private sector company(s), partnership(s) or sole trader(s);
- The firm must be operating in Nigeria;
- The firms must be registered with the Corporate Affairs Commission;
- The entity's business idea must seek to change the competition structure in the market through an innovative product, an innovative business process, an innovative business model, an innovative partnership, etc.;
- The total GEM funding requested must be at least \$50,000 and no more than \$250,000;
- The matching cash or cash-equivalent will be define in the call for proposals and can range from 5 to 50 percent of the total project budget. Allowable cash equivalent funds are as follows: existing equipment and existing technologies (patented, trademarked or licensed);
- GEM funding must be requested for utilization on eligible costs or activities;
- The institution must satisfy the requirements on Environmental and Social compliance;
- Other eligibility criteria will be added depending on the call for proposals;
- The GEM funding requested must be utilized within 15 months; and
- The proposed idea must result in increased sales for the business, increased value added per worker and creation of new jobs.

### **Matching fund requirements**

Firms applying for these grants are expected to co-invest in the project in order to ensure risks are shared and incentives are aligned. The expected level of matching funds will range from 5 to 50 percent of total project costs in cash or cash equivalent.

The nature of the matching contribution will be approved on a project by project basis. Grantees will usually be required to fund the proposed activities upfront and the matching contribution will be in form of a reimbursement by the GEM project upon approval.

As a general rule, the following could be included as matching funds:

- Cash investment by the grantee and implementing partners in case of a consortium;

- Facilities provided by other institutions (e.g. equity investments, bank loans, overdraft facilities).

### **Eligible costs/activities**

The GEM Institutional grants will fund technical assistance, equipment and goods related to a specific business idea, business plan or activity(s). Depending on the call for proposals, the eligible activities could be works. However funding of works will necessitate an environmental and social management plan as part of the proposal, done by an independent consultant.

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Successful grantees will sign a contract with the Federal Ministry of Industry, Trade and Investment (FMITI). The contract commits the grantee to the terms and conditions of the grant.