



Fund for Rural Prosperity™

The MasterCard Foundation Fund for Rural Prosperity

Scaling R2 Competition

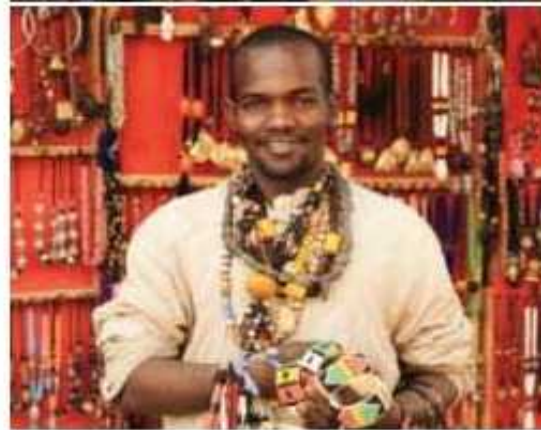
April - June 2016



The MasterCard Foundation

- Independent, global organization based in Toronto, Canada, with over \$9 billion in assets.
- Main focus is on promoting **financial inclusion** and advance **youth learning**, mostly in Africa.

www.mastercardfdn.org



Why Financial Inclusion?

Inadequate access to financial services is a key constraint to economic growth and poverty reduction.

Only a fraction of people living on less than \$2 a day are able to access financial services – either because of lack of access or knowledge.

MasterCard Foundation Fund for Rural Prosperity

Objective: Reach 1 million financially excluded people in rural and agricultural areas in Sub-Saharan Africa

Fund KPIs

- ✓ Improve livelihoods and incomes of smallholder farmers by building their capabilities to access and use financial services (**Farmer Level**)
- ✓ To enable financial services providers and agribusinesses to develop and expand access and partnerships for smallholder farmers (**Institution/Firm Level**)
- ✓ To promote systemic change in agricultural finance by attracting other influential actors and supporting innovation (**Sector Level**)

Additionally, the Fund will prioritize developing partnerships with **African-owned organizations** for funding.

Fund Size: US\$50 million

Period: 7 years (25/08/2014 – 31/12/2021)

FUNDING CATEGORIES:

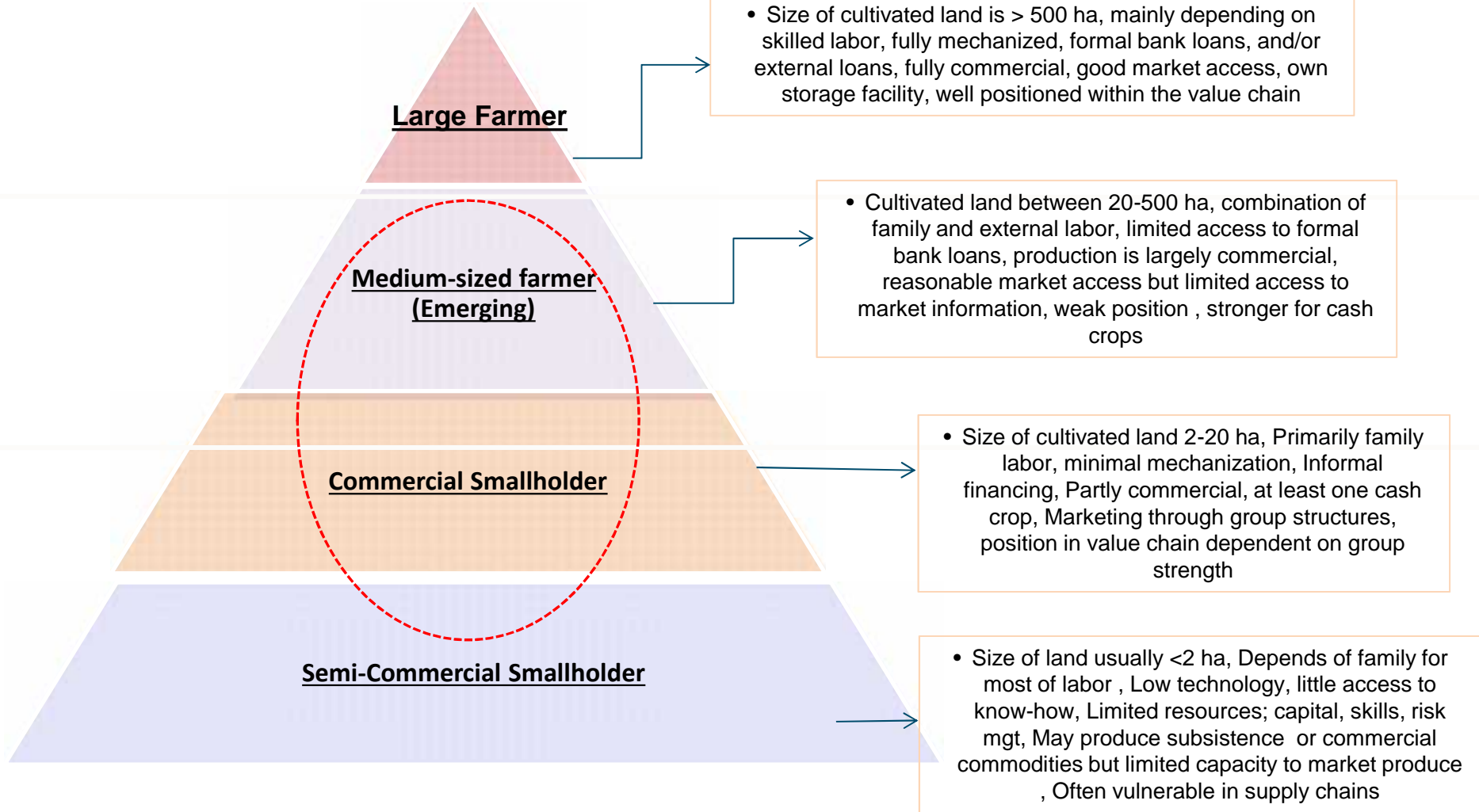
Innovation Competition
US\$15 million

Scaling Competition
US\$35 million

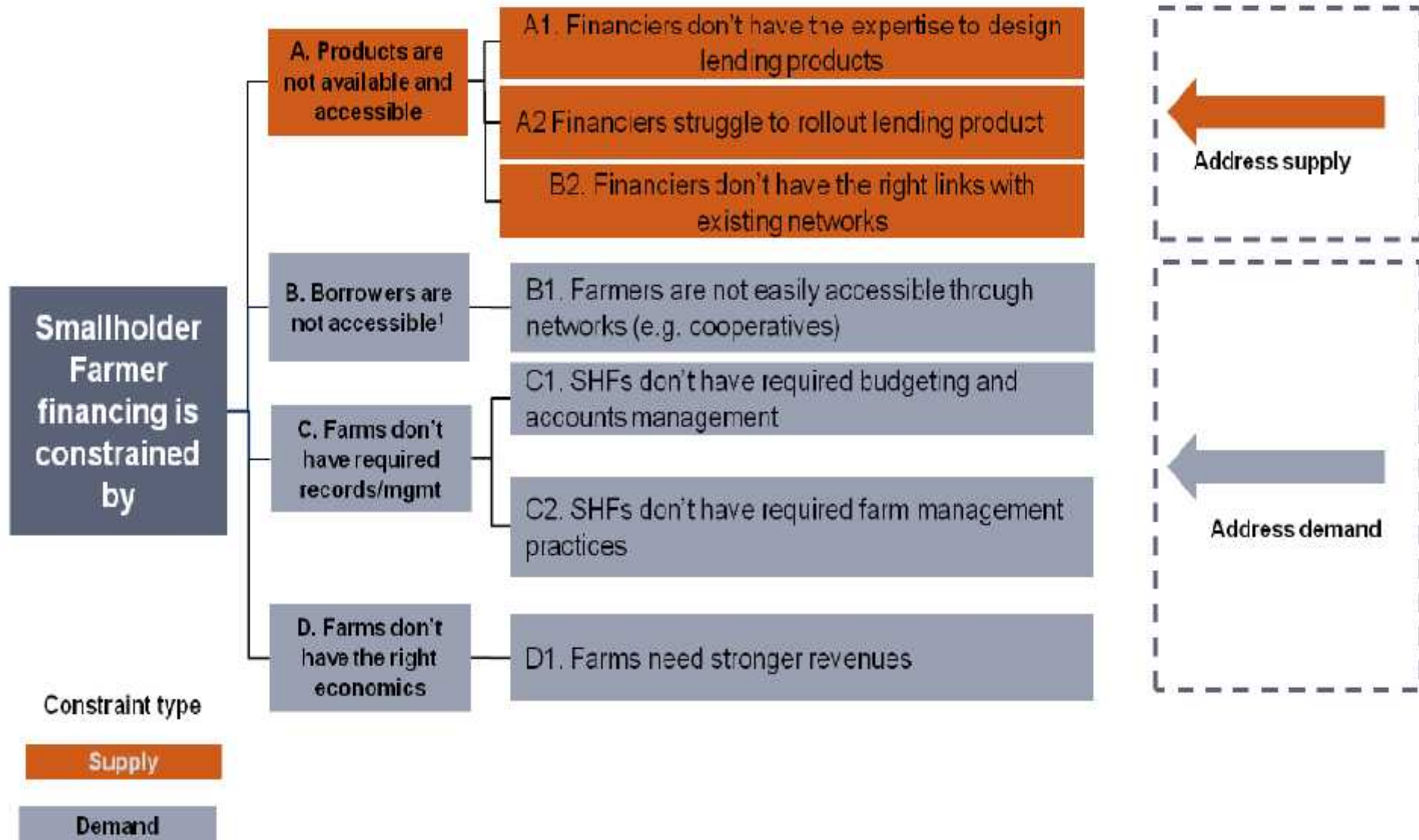


The Fund's Target Market

Key Characteristics



Financial Inclusion for Smallholders: Some Challenges



Who will the Fund work with?

Who?	What can they deliver?
Banks	Appropriate products for agricultural and rural enterprises, funding agribusiness that works with SHFs
Microfinance Institutions	Crop loans, seasonal finance, small asset finance, household financial management
IT & Mobile Network Operators	Payment platforms, technology platform for service delivery, agent networks, big data
Non-Bank Financial Institutions	Patient capital, mentoring and expertise, fixing gaps in value chains, insurance, leasing, other non-credit financial services
Agribusinesses	Value added input and buyer services, market and financial linkages, innovation for productivity enhancement / cost reduction
NGOs	Financial capability, information and training, linking to value chain actors; AS PARTNERS ONLY, Not Lead Applicants

Scaling R2 Competition

Opening 14 April to 10 June 2016

Eligibility Criteria (Yes/No)

- Registered for-profit Company
- **Expanding proven approaches from proof of concept or pilot stage to new customers or regions**
- Must be within geographic scope
- For a project within the company.

Selection Criteria

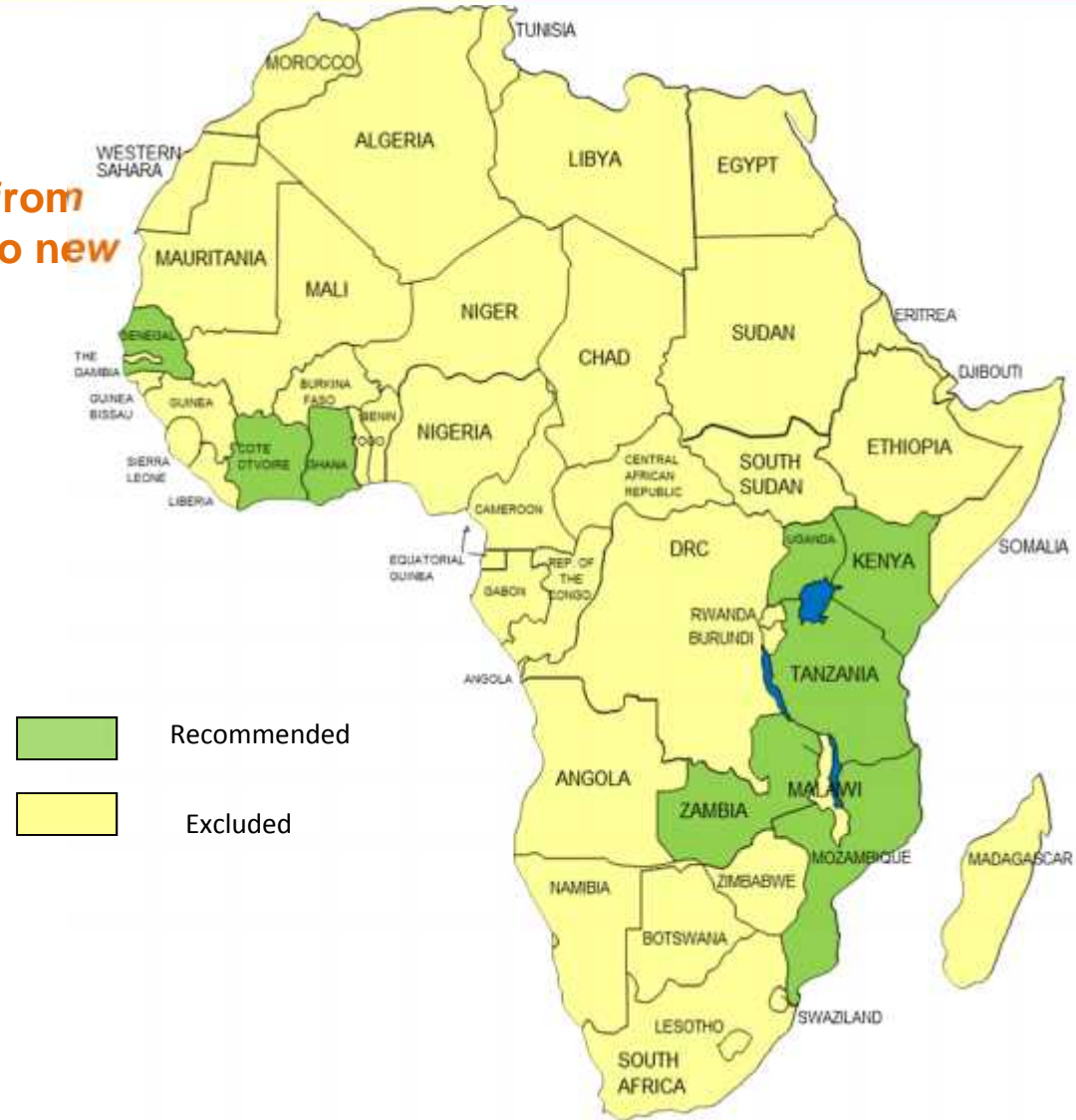
- Capacity to Implement
- Commercial Viability
- Development Impact
- Capacity Development of Users

Matching Fund Requirement

- 50% cash or in-kind

Funding Limits

- Minimum US\$ 750,000
- Maximum US\$ 2,500,000



FRP Funds – Matching Funds and Uses



Definitions of Matching Funds

- **Cash or Cash Equivalent**

The nature of the matching contribution will be approved by the Fund Manager on a project by project basis. As a general rule, the following could be included, with evidence that they are included for the sole use on the stated project:

- Cash/equity investment by lead company or implementing partners
- Facilities provided by other institutions (e.g. equity investments, bank loans)
- Reinvested profits
- Guarantee facilities intended to support financing of smallholder farmers

- **In-kind**

- Employee salaries working directly on the project implementation
- Rental of buildings, offices or facilities
- Equipment purchases agreed for the implementation of the project
- Travel and consultancies
- Materials and supplies, training and workshops, printing and publications
- Market research and marketing materials
- Project administrative costs as required



Allowed Costs

- Salaries and other employee costs
- Rental of buildings, offices or facilities
- CAPEX – with restrictions
- Travel and consultancies
- Materials and supplies, training and workshops, printing and publications
- Market research and marketing materials
- Project administrative costs as required



Disallowed Costs

- Land and buildings
- CAPEX > 40% of the total budget
- Permanent or revolving loan funds
- Permanent endowment, trust or other fund
- Direct payments of support to individuals;
- Program related investments or equity interests
- Attendance at fundraising event
- Dues to commerce and trade associations that do not pursue charitable aims or activities;
- Support of sports groups, programs, teams, or events;
- Sponsorships of events, tables, exhibitions, performances, conferences, or symposia;
- Political, lobbying or other fraternal activities;
- Purely religious activities; and
- Any expenditure for any other activity outside the charitable objects of the Foundation





The Disbursement and Grant Management Process

- **Contract preparation** – includes final grant amounts, terms and conditions
- **Ongoing financial management** – carried out by the Fund Manager, ensuring that FRP funds and disbursements are being spent in line with the grant agreement
- **Disbursement** – will be done quarterly in advance, according to the project implementation period (i.e. within 2 years for projects funded under the Innovation window, and within 3.5 years for projects funded under the Scaling window)
- **Reporting timelines** – will be done quarterly, semi-annually. Quarterly reports will focus on financial performance; semi-annual and annual reports will focus on financial and impact performance.
- **Unutilized Funds** – whatever unutilized funds remain following project completion will be refunded to the Fund Manager for re-allocation
- **Independent Audit of FRP Funds** – an annual audit or financial review of each project is required for each year till the end of the project implementation period

The Application Process

- The competition for FRP funds is a two-stage process:
 - **Stage One: Initial Application**

Submission of the initial application form. Application form can be downloaded from www.frp.org and returned by email at scaling@frp.org
 - **Stage Two: Refinement of Business Model**

If you progress to this stage of the competition, you will be asked to refine your business model, and provide supplementary documentation for your application – including project budgets.

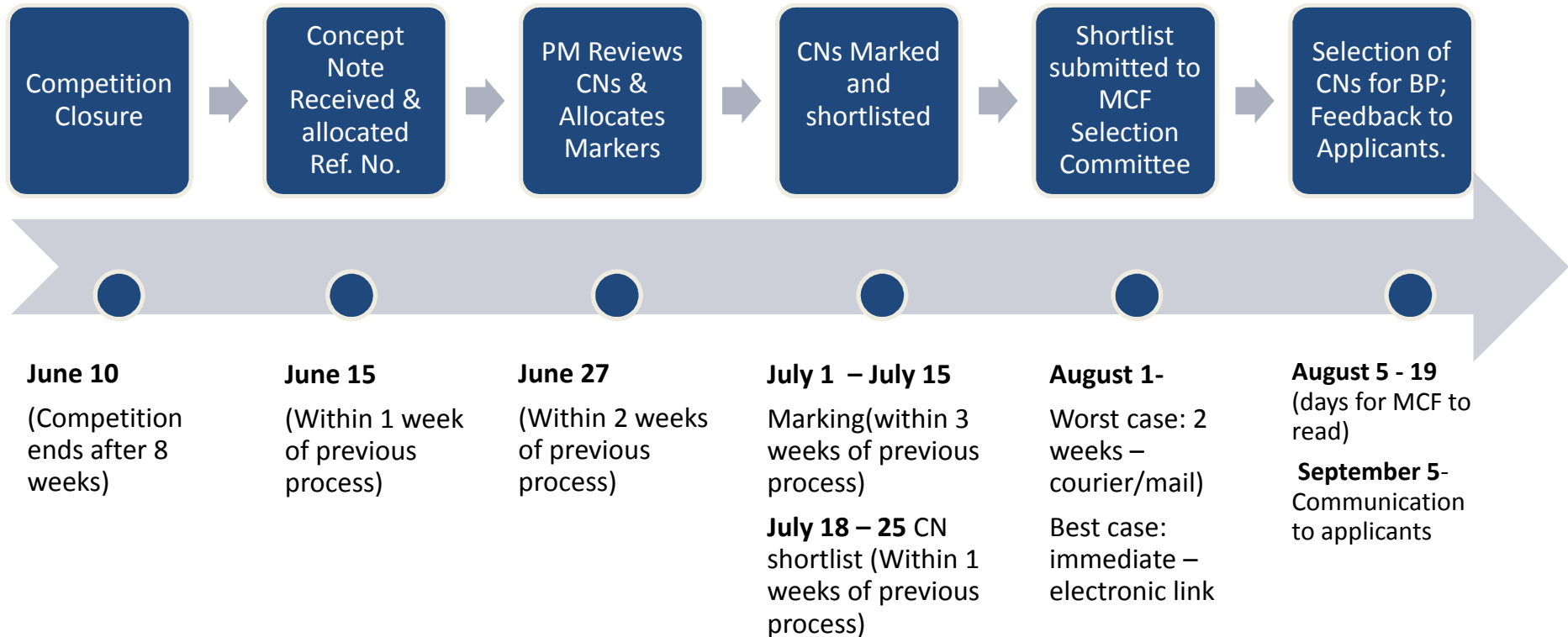


The Application Process – Stage 1

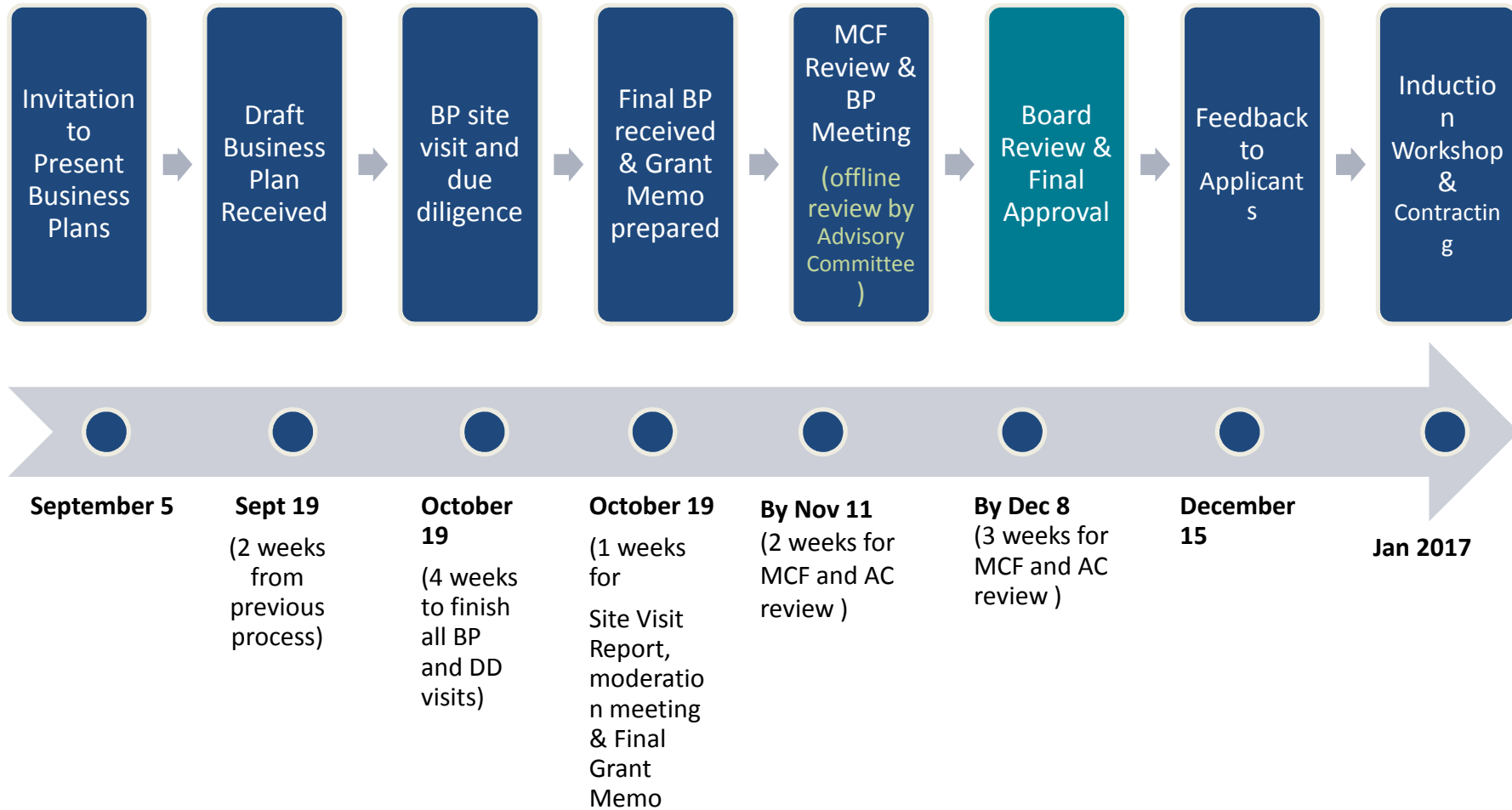
- Register online as an applicant at www.frp.org
- Download the application form, together with the application guidance notes
- Fill in the application form, referring to the guidance notes
- Accept the FRP General Terms and Conditions by checking the box at the end of the application form
- Submit the completed application form to: scaling@frp.org
- Applications will be acknowledged and processed within **20 working days** of the closing date of the competition

If you have any questions regarding your application, questions can be directed to info@frp.org or scaling@frp.org

The Selection Process – Concept Note Stage



The Selection Process – Business Plan Stage





Innovation R1 Competition Application Summary

9 projects funded

20 Shortlisted to BP Stage

60 Shortlist presented to MCF

258 Applications marked

420 Applications

1687 Registrations





Innovation R1 Winners

Reference No.	Company	Focus Country
FRP-INN-R1-031	Inuka Africa Limited	Kenya
FRP-INN-R1-076	Biopartenaire	Côte d'Ivoire
FRP-INN-R1-078	Empresa de Comercialização Agrícola Lda ("ECA")	Mozambique
FRP-INN-R1-081	Juhudi Kilimo Company Limited	Kenya
FRP-INN-R1-120	Baque Atlantique Cote D'Ivoire (BACI)	Cote d'Ivoire Burkina Faso
FRP-INN-R1-289	Prepez Technology Limited	Ghana Cote d'Ivoire
FRP-INN-R1-350	SmartMoney Uganda Limited	Uganda Tanzania
FRP-INN-R1-376	Compuscan CRB Ltd	Uganda
FRP-INN-R1-386	Kifiya Financial Technology plc.	Ethopia

Scaling R1 Competition Application Summary

5 projects funded

10 Shortlisted to BP Stage

26 Shortlist presented to MCF

109 Applications marked

157 Applications

924 Registrations





Scaling R1 Winners

Reference No.	Company	Focus Country
FRP-SCL-R1-021	M-KOPA, LLC	Tanzania
FRP-SCL-R1-071	Finserve Africa Limited	Kenya
FRP-SCL-R1-122	APA Insurance Ltd	Kenya
FRP-SCL-R1-088	Olam Uganda Limited	Uganda
FRP-SCL-R1-101	Musoni Kenya Limited	Kenya



Next Steps

Apply to The MasterCard
Foundation Fund for Rural
Prosperity!

www.frp.org

Questions

