



Fund for Resilience and Prosperity

## **Agribusiness Challenge Fund FAQs**

### **1. What is the Mastercard Foundation Fund for Resilience and Prosperity?**

The Mastercard Foundation Fund for Resilience and Prosperity is a US\$ 126 million Fund established in 2023 that aims to support Small and Medium sized Enterprises (SMEs) across three sectors in 20 countries in Sub-Saharan Africa.

### **2. What is the objective of the Fund?**

The objective of the Fund is to unlock enterprise growth and catalyse, scale-up and sustain the creation of dignified and fulfilling work opportunities for young women and young men. Through several sector-specific rolling challenges, the Fund will target entities that have innovative and scalable business models with significant potential to create jobs, supporting them to create sustainable impact.

### **3. What type of financial support is the Fund offering to selected SMEs?**

The Fund will provide grants to selected SMEs through the Challenge Fund intervention. The funding size and structure will be decided on a case-by-case basis after evaluating the applicant organisations and performing the necessary due diligence.

### **4. What sectors will the Fund focus on and when will the sector-specific challenges launch?**

The Fund aims to support Small and Medium-sized Enterprises across the agriculture, climate adaptation and digital economy sectors. The first challenge will be in the agriculture sector and will launch in March 2024. It will run for a period of nine months.

### **5. Which are the 20 focus countries of the Fund?**

Benin, Burundi, Botswana, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, South Sudan, Tanzania, Uganda and Zambia.

### **6. What is the Fund's Definition of an SME?**

An enterprise with moderate growth potential or high growth potential with the ability to absorb and utilize properly financial support of between US\$ 500,000 to US\$ 2,500,000, which will be disbursed over a 3-year period, based on applicants' development stage, scalability, and business model. Additional tailored technical assistance will be provided to successful applicants.

**Please note:** These are general guidelines, and the Fund may consider other factors on a case-by-case basis. We encourage you to review the full eligibility criteria outlined in the Fund's application materials for complete details.

## **ABOUT THE CHALLENGE FUND INTERVENTION**

### **1. What is the Challenge Fund intervention?**

The Challenge Fund intervention will offer direct financial support to address the resource flow barriers faced by SMEs looking to scale-up and, in turn, create and sustain employment opportunities for young women and men.

### **2. Why provide financial support through a challenge fund?**



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A challenge fund mechanism provides an open and competitive way to engage the private sector to promote economic growth and community development. The Fund wants to encourage SMEs to pursue innovative, commercially viable ventures that benefit young women and men, young people living with disabilities and refugee youth.

### **3. What is the Agribusiness Challenge Fund?**

This is the first call for proposals under the Challenge Fund intervention, focusing on supporting SMEs in the Agribusiness sector to create work opportunities at scale for young women and men, young people with disabilities and refugee youth.

### **4. What is the format of the challenge fund competitions?**

The challenge fund will use a rolling call for proposals format, open for a period of nine months with periodic harvests or collections of applications to be assessed every 12 weeks.

### **5. What are key features of this Agribusiness Challenge Fund?**

The challenge will be open for nine months, with periodic application 'harvests' or collections of applications for assessment at set dates. Unsuccessful applicants will have the opportunity to refine and resubmit their applications for subsequent harvests.

## **CHALLENGE FUND APPLICATION PROCESS**

### **1. How does an SME apply to this challenge?**

Potential applicants for the Agribusiness Challenge Fund intervention can register and access the application platform through the Fund website [www.frp.org](http://www.frp.org)

### **2. Which language will the application be in?**

The Fund will accept applications in English only.

### **3. What is the application process to this challenge?**

The application process is in two stages. Firstly, registration on an online platform and secondly, submission of an application form. The application form will be a concise summary of the business and project. After each application harvest, submitted applications will be reviewed and applicants who are shortlisted will be invited to submit a full business plan proposal in the second part of the application process. Unsuccessful applicants will have the opportunity to refine their application and resubmit for review in subsequent harvests of the challenge.

## **CHALLENGE FUND APPLICATION ELIGIBILITY CRITERIA**

### **1. What criteria are there to apply?**

To apply, SMEs must meet the criteria below.

- Involved in the sector of focus i.e., agriculture.
- An existing for-profit Small or Medium-sized Enterprise.
- Implementing the business project in at least one of the 20 focus countries in Africa.
- Requesting for financial support within the funding limits of US\$ 500,000 and US\$ 2,500,000.
- Providing matching contribution of at least 30% of the total project cost.



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- Have innovative, practical, and scalable businesses that aim to create work opportunities for young women and men, young people with disabilities or refugee youth.
- Adhere to fundamental human rights, labour standards, and environmental management laws, both nationally and internationally, including seed laws/policy.
- Refrain from any involvement in acts of terrorism or support for terrorist activities.

#### **2. Does an SME have to be based in an eligible country to apply?**

No. If the project is being implemented in an eligible country and can have a positive impact on creation of employment for young women and men including refugee youth, and youth living with disabilities in the target sectors, it is eligible to apply for support from the Fund.

#### **3. Is an SME automatically disqualified from applying for the Agribusiness Challenge Fund if they do not have audited accounts?**

Not having audited accounts does not automatically disqualify you. However, the Fund may require alternative financial documentation (management account/records) to assess your financial standing. Refer to the application materials. Please note that the Fund will also contact applicants for any additional information required.

#### **4. Can an SME submit multiple proposals?**

Yes. An SME may submit more than one proposal in one challenge.

#### **5. Can several organizations collaborate or partner to submit one idea for funding?**

Yes.

#### **6. Can multiple SMEs form a consortium and apply together for the FRP Agribusiness Challenge Fund?**

Yes, consortiums are eligible to apply. Clearly outline the roles and responsibilities of each SME in the application form, stating which is the lead applicant and ensure the consortium meet all the legal and eligibility requirements.

#### **7. Can an SME include past performance data of both the applicant SME and any project partners in the application (e.g., number of employees, turnover)?**

Yes. Including past performance data of all parties involved strengthens your application by showcasing your collective track record.

#### **8. Are there specific requirements regarding the minimum number of years an SME must be operating, growth stage, minimum revenue, or customer base for the Agribusiness Challenge Fund?**

The SME should have been operational for at least 3 years (as the Fund is not funding start-ups) and must demonstrate the ability to absorb between US\$ 500,000 to US\$ 2,500,000 and provide matching funds of at least 30% of the total project cost. Please refer to the matching funds requirements on the application guidance notes.

#### **9. Can an SME apply for Funding in all the three sector specific challenges?**



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Yes. SMEs can apply in all three sector challenges with different applications per challenge that meet the specific eligibility criteria.

#### **10. Can former Mastercard Foundation Fund for Rural Prosperity participants apply for Mastercard Foundation Fund for Prosperity and Resilience?**

Yes, as long as their project relates to the objectives of the new Fund, and they meet all other eligibility criteria.

#### **11. Are current Mastercard Foundation Partners eligible to apply?**

Existing Mastercard Foundation partners are eligible to apply only if they are applying for a different project other than the one supported directly by the Mastercard Foundation.

#### **CHALLENGE FUND PARTICIPANT 'MATCHING CONTRIBUTIONS'**

##### **What will SMEs be required to contribute?**

Selected participants are expected to co-invest in the project to ensure risks are shared and incentives are aligned to promote sustainability of projects past the life of the grant program. 'Matching funds' refer to the participant's contribution to costs of implementing the project. The applicant will be required to demonstrate ability to provide matching funds of at **least 30%** of the project cost either in cash, cash-equivalent or in-kind. Successful applicants will be required to avail the matching funds over a period of three years based on the set milestones.

#### **CHALLENGE FUND APPLICATION SELECTION CRITERIA**

##### **What are the selection criteria for the Agribusiness Challenge Fund?**

- Project description and objective
- Alignment with FRP priorities
- Impact
- Financing plan/Matching funds
- Team structure
- Additionality

#### **CHALLENGE FUND GRANT AWARDS**

##### **1. What is the standard grant award or range?**

It is estimated that the grant sizes will range from US\$ 500,000 to US\$ 2,500,000 to be utilized over a 3-year period, based on the applicant's development stage, scalability, and business model, in accordance with agreed periodic milestone targets.

##### **2. How will funds be disbursed to SMEs?**

The payment mechanism for disbursing funds will be defined by the terms in a Participation Agreement and by project performance within the payment period as validated in a performance monitoring and measurement system.

##### **3. What are the chances of being selected to receive funding support in this challenge?**



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The Fund accepts applications from SMEs that aim to create fulfilling and dignified jobs for young people, especially young women, young people living with disabilities and refugee youth. This is a competitive process, so applicants are encouraged to put in their best effort into their proposals.

## **CHALLENGE FUND TIMELINES**

### **1. What are the time periods for the funding support?**

The terms of the financial support will be stipulated in the Participation Agreement for each participant.

### **2. What are key steps/dates to note in this challenge?**

Schedule	Deadline
Agribusiness Challenge Fund pre-launch/registration	26 February – 17 March 2024
Agribusiness Challenge Fund launch	18 March 2024
Agribusiness Challenge Fund - Harvest #1	07 June 2024
Agribusiness Challenge Fund - Harvest #2	30 August 2024
Agribusiness Challenge Fund - Harvest #3	22 November 2024

## **AGRIBUSINESS CHALLENGE FUND AREAS OF INTEREST**

### **1. What are the categories of interest for this challenge?**

- Primary production
- Processing and aggregation
- Trading and market linkages

While broadly interested in any agribusiness opportunity that is capable of work creation opportunities for young women and men, those working in these, or other parts of the agriculture value chain are encouraged to apply:

- Forestry
- Fishing
- Horticulture
- Plant Breeding
- Agro input supplies
- Cash crop – cocoa
- Cash crop – cotton
- Cash crop – tea
- Fruits and vegetables
- Farmer training on adaptation techniques
- Smart irrigation systems
- Soil moisture sensors
- Organic fertilizers
- Solar powered agricultural tools
- Fruits and vegetables
- Livestock- dairy
- Livestock - beef
- Livestock - goats
- Livestock - pig
- Poultry
- Solar powered agriculture tools
- Early warning systems
- Food storage and preservation
- Crop insurance services
- Drip irrigation
- Bioenergy production and fossil fuels

Applicants will be requested to also demonstrate if they have integrated climate adaptation, climate mitigation or digital aspects to their projects.



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## **2. Is the Agribusiness Challenge Fund only funding the crops listed?**

The Fund is not limited to funding only the crops listed under "categories of interest " but is open to funding a variety of crops. The listed categories highlight some of the areas of interest within the agriculture value chain. This will vary from one country to another.

Here is how to apply for a crop not explicitly listed:

- Review the eligibility criteria on the Fund website to ensure your crop aligns with our overall funding goals.
- Select "Other" on the application form and proceed to specify the crop you are interested in.
- Clearly explain how your crop aligns with the Fund's objectives and demonstrate its potential impact within the agriculture value chain.

We encourage you to apply, even if your crop isn't explicitly listed.

## **IMPACT MEASUREMENT**

### **1. How will a Fund-supported project's impact be measured?**

- Impact will be measured through the specific and measurable outcomes that the proposed projects will achieve.
- How the project aims to create change (individual, community, institution and/or system change).
- The specific objectives and related activities that will drive towards the achievement of outcomes. How the project or business will impact and support young women and men, refugee youth, and/or young people living with disabilities to access, participate, and/or benefit equitably.

### **2. How will the SME know that it is making an Impact?**

Through the success of the project or businesses that receive funding and create jobs for young women and men, refugees, and youth living with disabilities.

## **ROLES**

### **1. Who will access and/or review the proposals?**

Concept notes and business plans will be accessible to the Fund Manager, its Consultants and Partners, the Mastercard Foundation, and its agents. They will be reviewed by the Fund Manager and the Mastercard Foundation, as well as by an Investment Committee.

### **2. Who approves applications that are selected for funding?**

All applications will be reviewed through a rigorous evaluation process incorporating the Fund Management team, an Investment Committee, and the Mastercard Foundation.

### **3. Who will own the intellectual property developed by the project?**

If funding is awarded, a contract would include a clause which ensures that all project documentation and intellectual property remains the property of the participant business.

## **CONTACTS**

**Where can more information on the Fund be found?**



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For more information on the Fund, visit: [www.frp.org](http://www.frp.org). For contact details, select the contact link on the website, or visit the Fund social media channels.