



Fund for Resilience and Prosperity

MASTERCARD FOUNDATION FUND FOR RESILIENCE AND PROSPERITY

Frequently Asked Questions (updated December 2024)

ABOUT THE FUND

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

Mastercard Foundation Fund for Resilience and Prosperity is a seven-year, US\$ 126 million Fund that aims to support Small and Medium-sized Enterprises (SMEs) across agriculture, climate impact, the digital economy, and health sectors in 20 countries in Sub-Saharan Africa.

Through several interventions, the Fund aims to support an SME portfolio with medium to high growth potential and innovative SMEs (including women-led SMEs) that have high impact potential and business models suited for work creation within the focus areas of the Fund, especially for young women and men with limited financial means.

2. What is the objective of the Fund?

The main objective of the Fund is to unlock enterprise growth for the purpose of catalyzing, scaling-up and sustaining the creation of dignified and fulfilling work opportunities for young women and men with limited financial means, including young people with disabilities and refugee youth.

3. Why launch the Fund for Resilience and Prosperity?

Dignified and fulfilling employment for young women and men with limited financial means remains a significant challenge in Africa, in both urban and rural settings. The number of people living in urban areas in Africa has been growing steadily and is forecast to increase further in the coming years, leading to a significant rise in unemployment. The Mastercard Foundation Fund for Resilience and Prosperity will go a long way towards addressing the urgent need to create employment and income uplift opportunities at scale for youth in 20 Sub-Saharan countries. This program aims to build on the success, learnings, and principles of the Fund for Rural Prosperity program and leverage this to enhance the resilience and prosperity of rural and urban young men and women through job creation.

4. How will the Fund be managed and governed?

KPMG Development Services Limited is the Fund Manager contracted to design and manage the Fund. The Fund monitoring, evaluation and learning Partner is Triple Line Consulting. Triple Line will support with the monitoring, evaluation and learning aspects of the Fund portfolio.

5. Is this a second phase of the Mastercard Foundation Fund for Rural Prosperity program from the Mastercard Foundation?

Yes. The Mastercard Foundation Fund for Rural Prosperity was an eight-year program established in 2014. That phase supported 38 participants from 15 countries in Africa, innovating and scaling financial products and services in support of the rural and underserved population with a large focus on agriculture. One major highlight of that phase is over 5.3 million people were enabled to have access to financial products and services, exceeding an initial target of 1 million.



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As a result of the success and learnings gathered, the Mastercard Foundation Fund for Resilience and Prosperity was established in 2023. While the objective of the Mastercard Foundation Fund for Rural Prosperity was financial inclusion for the rural and underserved population, the objective of the Mastercard Foundation Fund for Resilience and Prosperity is to enable dignified and fulfilling work opportunities for young women and men with limited financial means.

6. Who is going to benefit from the Fund?

The Fund aims to support SMEs across the agribusiness, climate impact, digital economy, and health sectors to create dignified and fulfilling jobs for young women and men with limited financial means including young people living with disabilities, and refugee youth in the Fund focus countries. Young people aged between 18 to 35, especially young women in Africa, will be the centre of focus of the Fund.

7. Why focus on these sectors?

Creating dignified and fulfilling work opportunities for young people in agriculture, climate impact, digital economy and health is the focus because these sectors have significant potential to create youth economic opportunities at scale in Sub-Saharan Africa.

8. 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

9. Why focus on these countries in Africa?

The selected countries represent the biggest markets in Sub-Saharan Africa and collectively represent over 80% of the region's economy. They are also selected based on the high rates of unemployment particularly of the youth and represent the biggest need. They also present opportunities for work creation via women-led SMEs. The Mastercard Foundation identified seven countries as a priority under the Young Africa Works (YAW) strategy. The remaining 13 countries were selected through an evaluation process identifying the countries with the most potential to sustain a vibrant ecosystem based on the assessment of challenges faced by SMEs in enterprise growth and job creation. The selection also provides a balance in investment across Africa's Anglophone, Francophone and Lusophone countries.

10. What is the Fund definition of an SME?

An enterprise with medium to high growth potential with the ability to absorb and properly utilize the financial support provided, which will be disbursed over a three-year period, based on applicant development stage, scalability, and business model.

Women-led businesses are encouraged to apply, where the SME is one with:

- ≥ 51% ownership by a woman/women
- ≥20% ownership by a woman/women, and:
 - Has ≥ 1 woman as CEO/COO, and



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- Has ≥ 30% of the Board of Directors composed of women, where a board exists.

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 particular challenge application materials for complete details.

11. What kind of support is the Fund offering to selected SMEs?

The Fund will provide financial and non-financial support to selected SMEs through four interventions:

- Challenge Fund intervention: Offering direct financial support to selected SMEs.
- Technical Assistance intervention: Adding value beyond financial support through technical assistance and capacity building.
- Connect intervention: Providing investor readiness support to the portfolio of selected SMEs and negotiating partnerships with potential financiers.
- Convening and Influencing intervention: Convening relevant stakeholders to encourage an enabling business environment that drives system change and address the issues that impede the creation of work for young women and men with limited financial means.

12. What thematic sectors is the Fund focused on?

All interventions will support SMEs to create work opportunities for young women and men with limited financial means including young people with disabilities and refugee youth in agriculture, climate impact, the digital economy, or health sectors.

13. What are the chances of SMEs being selected for the interventions?

The Fund is seeking innovative, competitive business proposals that can create work opportunities for young people with limited financial means within agriculture, climate impact, the digital economy and health, and will provide financial support to the best ideas that meet the selection criteria. Each challenge is a competitive process, so applicants are encouraged to put their best effort into their proposals. Women-led SMEs are encouraged to apply.

14. Does the Fund have specific funding allocations per country?

No, there are no set allocations per country. However, the Fund aims to have a geographically balanced portfolio of projects.

ABOUT THE CHALLENGE FUND INTERVENTION

1. What is the Challenge Fund intervention?

The Challenge Fund intervention offers direct financial support to address the barriers faced by SMEs looking to scale-up and, in turn, create and sustain employment opportunities for young women and men with limited financial means.

2. Why provide financial support through a challenge fund?

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



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pursue innovative, commercially viable ventures that benefit young women and men with limited financial means including young people living with disabilities and refugee youth.

3. What is the format of the challenge fund competitions?

Each challenge or call for proposals will have its own format which will be communicated prior to launching it.

CHALLENGE FUND APPLICATION PROCESS

1. How does an SME apply to the Fund?

Potential SME applicants for a challenge can register on the application platform through the Fund website www.frp.org and apply once each challenge launches.

2. Which language will the application be in?

The Fund will accept applications in English, French and Portuguese.

CHALLENGE FUND APPLICATION ELIGIBILITY CRITERIA

1. Can an SME apply for funding in more than one challenge?

Yes. SMEs can apply in more than one challenge but should note that each challenge will have different application and selection criteria.

2. 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.

3. 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.

4. Does an SME need to be legally registered to apply?

Yes, SMEs applying must be legally registered and have been in operation for at least three years.

CHALLENGE FUND PARTICIPANT 'MATCHING CONTRIBUTIONS'

1. What will SMEs be required to contribute if selected in the Challenge Fund?

Selected participants are expected to co-invest in their project to ensure risks are shared and incentives are aligned. 'Matching funds' refer to the participant's contribution to costs of implementing the project. The expected level of matching funds will vary with each project and challenge. However, all applications will be required to provide a matching or greater contribution to total project costs, either in cash, cash-equivalent or in-kind.



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CHALLENGE FUND AWARDS

1. What is the standard funding award or range?

Each challenge or call for proposals will have its own funding range which will be communicated prior to launching it.

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.

CHALLENGE FUND TIMELINES

1. What are the time periods for the financial support?

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

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 will enable work opportunities for young women and men with limited financial means, including young people with disabilities and/or refugee youth
- How the project or business will impact young people to access, participate, and/or benefit equitably.
- 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.

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

Through the success of the project or businesses that receive funding and enabling work opportunities for young women and men with limited financial means, including young people with disabilities and refugee youth.

ROLES

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

Applications 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.



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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?

For more information on the Fund, visit: www.frp.org. For contact details, select the contact link on the website, or visit the Fund social media channels.