



## Mastercard Foundation Fund for Resilience and Prosperity

**AFSIC – Investing in Africa** is wholly focused on accelerating Africa’s economic emergence by matching investment opportunities in Africa transforming Africa’s business, trade and investment environment sustainably growing Africa’s economy and increasing African incomes in all business sectors at a continental scale. AFSIC – Investing in Africa aims to partner with companies that align on this purpose and are therefore delighted to welcome on board **The Mastercard Foundation Fund for Resilience and Prosperity** as a sponsor.

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

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

### ***What mechanisms/interventions is the Fund utilizing to support SMEs and scale-up the creation of dignified and fulfilling jobs for young women and men?***

The Mastercard Foundation Fund for Resilience and Prosperity aims to address a broad spectrum of SME-specific challenges as well as macro issues using four interventions:

- i. **Challenge Fund:** Offering direct financial support through a challenge fund 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.
- ii. **Connect Fund:** Providing investor readiness support to the SMEs and negotiation of partnerships with potential financiers to ensure sustainability and growth.
- iii. **Technical Assistance (TA):** Adding value beyond financial support through technical assistance and capacity building to address the barriers concerning human capital and access to markets.
- iv. **Convening and influencing:** Convening relevant stakeholders to encourage an enabling business environment through experienced partners and digital platforms to drive

systematic change and address the issues that impede the creation of work opportunities for the youth, especially young women.

### ***How does grant funding aid in unlocking capital flows for SMEs in Sub-Saharan Africa?***

Small and Medium Enterprises (SMEs) contribute immensely towards employment creation and driving growth of markets in sub-Saharan Africa (SSA). These businesses face a myriad of challenges that hinder their growth, key among these being access to finance.

There is a perceived risk of lending to SMEs in SSA driven by the lack of certainty on the sustainability of investment, weak policies, institutions and regulatory frameworks and the technical capacity gaps. As a result, capital flows from the private sector in emerging markets are characterized by high borrowing costs and stringent collateral requirements.

Grant funding is patient capital which when directed to SMEs in the SSA region allows for evidence of sustainability. This acts to de-risk SMEs and lays the foundation for other funding instruments such as loans and equity, increasing private finance flows to SMEs.

The Mastercard Foundation Fund for Resilience and Prosperity, through 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 people. . The Fund aims to support enterprises with moderate to high growth potential with grants ranging from 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 in accordance with agreed periodic milestone targets. Funding structure will be determined on a case-by-case basis after evaluating proposals and organizations. Additional support to successful applicants will include tailored technical assistance in alignment with FRP objectives over the 3-year period.

### ***What can we expect from the Fund in the near future and how can the target businesses plug in?***

The Fund is focusing on SMEs that are implementing their solutions in 3 key sectors: agriculture, climate impact and digital economy. The Agribusiness Challenge Fund is currently open for submission of applications from 18 March 2024 to 22 November 2024. The challenge fund is a rolling call for proposals, open for a period of nine months with periodic harvests or collections of applications to be assessed every 12 weeks.

The Fund will soon be launching the Climate Impact Challenge Fund which will also be a rolling call for proposals open for nine months for SMEs in this sector. Thereafter the Digital Economy Challenge Fund will be launched.

Eligible SMEs that have innovative and scalable business models with significant potential to create jobs are highly encouraged to visit the [Fund website](#) and apply to the sector-specific rolling call for proposals.

### ***What are you hoping to achieve at AFSIC 2024?***

The Fund is excited to sponsor and participate again at AFSIC whose focus is promoting Africa's leading business, trade, and investment opportunities. AFSIC 2024 presents an excellent platform to create awareness about the Fund among a diverse set of stakeholders ranging from target businesses, technical assistance providers, financial institutions, among other players that are in line with the various Fund interventions.

The Fund looks forward to exhibiting, taking part in various panels and meet the investors sessions where we will share information about the Mastercard Foundation Fund for Resilience and Prosperity, and gain valuable insights from other speakers and delegates.

### **About AFSIC – Investing in Africa:**

**AFSIC – Investing in Africa** has become perhaps Africa's most important annual investment event. AFSIC is wholly focused on accelerating Africa's economic emergence by matching investment

opportunities in Africa transforming Africa's business, trade and investment environment sustainably growing Africa's economy and increasing African incomes in all business sectors at a continental scale.

**African Investments Limited** ([www.africaninvestments.ai](http://www.africaninvestments.ai)), operates two multi award-winning digital platforms, the **African Investments Dashboard** which matches investment opportunities to our global network of institutional investors and the **Africa Business Opportunities Dashboard**, which matches business, trade and investment opportunities across Africa covering all business products, sectors, countries in Africa and multiple business objectives. The digital platforms won the global 2022 Salesforce Partner Innovation Award for Financial Services.