



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.

## **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?**

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?**



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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 in 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.
- Have innovative, practical, and scalable businesses that aim to create work opportunities for young women and men, young people with disabilities or refugee youth.

#### **2. Can an organization that is not-for-profit submit a proposal in this challenge?**

No. Only for-profit, Small and Medium-sized Enterprises can apply.



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**3. 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.

**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 an SME apply for Funding in all the three sector specific challenges?**

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

**7. 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.

**8. 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. '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. However, all applications will be required to provide a matching or greater contribution to total project costs than the grant, either in cash, cash-equivalent or in-kind.

**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?**



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It is estimated that the grant sizes will range from US\$ 500,000 to US\$ 2,500,000 depending on the size of SME and scaling potential.

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?

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

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
- Livestock- dairy
- Livestock - beef
- Livestock - goats
- Livestock - pig
- Poultry
- Solar powered agriculture tools
- Early warning systems



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- Fruits and vegetables
- Farmer training on adaptation techniques
- Smart irrigation systems
- Soil moisture sensors
- Organic fertilizers
- Solar powered agricultural tools
- 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.

#### **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?**

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.