



## MasterCard Foundation (MCF)

### 1. About

<i>Location: <b>Toronto, CANADA</b> (with Country Offices in key African geographies such as Ghana, Kenya, Rwanda, Senegal, &amp; South Africa)</i>	<i>AUM/Capacity: <b>~\$14B</b></i>	<i>Avg. Grant: <b>\$5M</b></i>
<i>Largest Grant (2016-19): <b>~\$7.5M</b></i>	<i>Program Potential: <b>Implementing Partner</b> (for any African based WP network communities working toward women's equality in the workforce and/or academia)</i>	<i>Alignment Score: <b>Medium</b></i>

NOTE: Insights partially sourced through a September 30, 2020 Meeting Between Natalie Rekstad of Black Fox Philanthropy and N Rekstad's MasterCard contact: \_\_\_\_\_, Title, Role.

#### Mission:

Tackling the youth employment challenge in Africa: At the MasterCard Foundation, we know that employment is a leading pathway out of poverty for young people and their families. In Africa, the world's youngest continent, youth employment is a particularly important measure of poverty reduction.

Funding priorities/alignment: Africa, Youth Unemployment, African Based Partnerships, Gender Lens, SDGs 1, 4, 5, 8, & 11

With the knowledge that securing employment is a leading pathway out of poverty, MCF's strategy focuses on finding solutions for Africa's youth employment challenge. In Africa, the world's youngest continent, youth employment is a particularly important measure of poverty reduction. The strategy is a natural extension of learning from a decade of work in financial inclusion and education & training and is the result of extensive consultation with leaders of African governments, private sector organizations, educational institutions, civil society, and, most importantly, young people themselves. Strategy includes these three focus areas within this scope:

#### AFRICAN HIGHER EDUCATION & YOUTH EMPLOYMENT:

ElEv supports Indigenous students pursuing ongoing learning through post-secondary education in Canada.

Hanga Ahazaza 'Create the Future' is a \$50 million, five-year initiative focused on increasing employment opportunities for young people while expanding the tourism and hospitality sector in Rwanda.

Innovations in Secondary Education (ISE) advance new approaches to achieve equitable and high-quality secondary education, with a focus on marginalized and disadvantaged youth. Projects in this initiative work to increase access to secondary education and aim to elevate employability and entrepreneurial skills. ISE also supports innovative projects that seek to improve the motivation and professional development of teachers, and that integrate technology into secondary school curricula.

Leaders in Teaching responds to the opportunities that a quality secondary education represents for the African continent. It supports teachers throughout their careers and prepares them to deliver high quality, relevant education.

Young Africa Works which sets out an ambitious goal for the next decade: by 2030, work will enable 30 million young people in Africa, especially young women, to secure employment they see as dignified and fulfilling. Using youth employment as a key measure of socio-economic progress, the aim is to help millions of people to find a pathway out of poverty. As part of the strategy, MCF will deepen engagements in some countries to better understand their unique economic aspirations and identify priority sectors for growth. MCF will prioritize working with governments and the private sector to develop a long-term plan for each country of focus that will:

- Improve the quality of education and vocational training so that they equip young people with the skills employers need;
- Leverage technology to connect employers and job seekers, and drive growth; and
- Enable entrepreneurs and small businesses to expand through access to financial services.

The MasterCard Foundation Scholars Program makes grants to a global network of education institutions and non-profit organizations committed to MCF's vision to educate young people who are committed to the betterment of their communities.

## ECONOMIC OPPORTUNITY

Expanding Access to Financial Services in Africa seeks to foster effective and

inclusive financial markets that will not only enable more poor people to access financial services and improve their lives but will also help to drive business expansion and increase youth employment.

Next-Generation Financial Services works with financial technology companies, as well as with traditional financial service providers, to expand digital financial services and complement informal financial practices, leveraging social networks and engaging clients in real time, while using data to tailor products and to extend the access to and use of financial services.

[Mastercard Foundation Fund for Rural Prosperity](#) (FRP) is a US\$50 million challenge fund launched in 2015 that seeks to find, support, help to scale up, and learn from innovative ideas that expand financial inclusion to smallholder farmers and other economically disadvantaged people living in rural Africa.

## 2. **Grantmaking:**

Type: Program initiatives are project specific and will scale their reach as the African country offices expand. It is rare for MCF to give General Operating support outside of its MCF Scholars Program (where they contribute to University partners at the \$100M level) ADDITIONALLY each MCF employee will be given a \$100k discretionary fund for grantmaking which is all part of an "Innovation Fund" initiative to advance R&D and expand the partner ecosystem.

Process: RFP from country specific partners are sent to potential applicants when a program becomes open for applications, most of the time it is invite only so finding an internal champion is key. Timeline: 6 - 11 months

Key Insights / Criteria:

- o In 2017 MCF did a HUGE refresh of their strategy and they are now in the beginning of executing against it and perfecting it. This massively affected how they went about their grantmaking and programming. The key shift was moving to a country-focused (across the African continent) giving plan so they can better understand the needs and cultural context of the organizations and people they serve. Thus far they have opened offices in Ghana, Kenya, Rwanda, Senegal, & South Africa and will continue to scale their presence across the continent over the next 10 years.
  - Each program manager has their own geographic focus. The biggest challenge has been siloing and effective communication; the connective tissue is just not as codified as could be but they

are learning as they go and are intentional about addressing things as they come up.

- o Mastercard has a HEAVY focus on Africa. 75% of their partners are African based. They also partner with African governments to better understand the context and key players working on the ground.
- o A lot of the key leaders MCF identifies still come through the CEO. These legacy relationships serve as her brain trust and is where MCF gets a lot of its connections to key leaders and organizations. However, this will dissipate as the new strategy is executed and the country offices become more assimilated within their communities.
- o Having a strong leader that is the face of the organization is still quite important but this also depends upon the nature of the organization, for example, when it comes to MCF's financial inclusion (FI) work there is more of a focus on the strength, credibility, and reach of the organization as a whole rather than a single leader (which makes sense given that the FI work is measured by beneficiaries reached first and foremost).
- o Overall, Infrastructure, Leadership, Reach, and Innovation are the most important pillars for alignment when considering big bet/bold (\$1M+) grants. This often takes the shape of partnership with current grantee organizations or leaders (with which MCF has had a track record or continuing relationship with over some time) and seeks to either invest in a new innovative idea or experiment on finding a new to reach a disadvantaged group. In other words, MCF will invest large R&D grants into current and trusted grantees that make such proposals.
- o In addition to this, MCF does invest \$100M over 5 years into established secondary education institutions as undesignated (operating) grants. Aside from this most, if not all, other (including big bet/bold) grantmaking is program or project specific (this is somewhat because Canada has different laws around grantmaking than the US).
- o Alignment on values, target beneficiaries (African youth) of which 70% must be women (funds will have to directly impact),

#### Recommendations:

- o Another example of an engagement with MCF (which stewards a large amount of implementation funds) is their partnership with Google.
  - Recently, MCF partnered with Google to create the Rural Ag Finance Learning Lab which has become a learning partner helping them to share their learnings with partners across their whole ecosystem.
    - The program also helps MCF to take a step back and ask

key strategic questions such as “what can we say about their portfolio at large”, “how can we share all of the lessons we have learned and are learning?” “how are we applying systems thinking to our work?”

- Also helps to answer questions or continue to explore what true impact and systems change looks like, why things are not working the way they should, what the key barriers to job creation are, why is it so hard for young people to find employment? What’s not working in the global education system where people are graduating but still do not have the right skills? And what are the upward trends that all implementers can give lift to (levers)?
- o While it is unlikely that ORG would get an unrestricted bold/big bet grant right now, given they do not have a past relationship with MCF and given that MCF is laser focused on Africa, there are three pathways forward that could result in significant funding down the line (in the next 1-3 years):
- a. Gender focus is really strong (and an aligned value) and MCF shared that they are currently looking for ways to share and elevate the stories of the young women they directly impact, in a way that aligns with their social and cultural norms, which is something WP is great at. Could there be an exploration of the opportunity to partner with them similarly structured to the google partnership? Next Step: share a network map (requested by N Rekstad contact/ interviewee) to explore where (and if) there is a shared value-add and shared impact goals within the ORG network and platform and MCF programmatic goals/communications initiatives.
  - b. Possible exploration with select employees around dipping into the Innovation Fund through a discretionary grant (although this would be significantly lower given that employees get a max payout of \$100k/year it could still be a good way to begin to get to know the Foundation). Next Steps: set up a “Brown Bag Lunch” at MCF HQ in Toronto to get some employees on board (with a training of how to use the site) and find an internal champion!
  - c. Possible implementing partner where 100% of funds from MCF would be set aside for select ORG network community group efforts working toward social change in African based communities. Next Steps: bring in or consult with (PROGRAM) to explore where there is “ripe activity” and alignment with select network groups

on the ground in African communities.