

\$200m Mastercard Foundation fund for African SMEs launches

The Mastercard Foundation Africa Growth Fund (MFAGF) has launched, which is a fund of funds that works through African investment vehicles to support early-stage, growth-oriented SMEs on the continent.



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The goal of the Mastercard Foundation Africa Growth Fund is to enable dignified and fulfilling work for young people, particularly young women.

The fund-of-funds is bold and catalytic, helping to crowd in capital for African entrepreneurs by strengthening and de-risking African investment vehicles that are committed to advancing gender equity in entrepreneurship.

In addition to providing capital for investment vehicles, the MFAGF will offer a business development facility for their portfolio companies. The fund-of-funds initiative will use gender-lens investing (GLI) principles to help advance the Mastercard Foundation's Young Africa Works strategy, which aims to enable 30 million young people in Africa, particularly young women, to access dignified and fulfilling work by 2030. So far, the Fund-of-Funds has recruited two investment vehicles supporting entrepreneurial growth - one in East Africa and one in West Africa.

Investment vehicles that are African-owned, led, and based are typically considered high-risk. At the same time, African SMEs struggle to access the financing they need to scale, inhibiting their potential.

The Mastercard Foundation Africa Growth Fund tackles both challenges by investing in and strengthening African investment vehicles that in turn support African SMEs.

“We need to do everything it takes now to build a continent with shared prosperity and sustainable, inclusive growth,” says Dr Dorothy Nyambi, president and CEO of MEDA.

“This fund-of-funds will strengthen and empower a new crop of African investment vehicles to drive decent job creation for women and youth via investments in small and medium-sized enterprises.” Dr Nyambi added that success lies in increasing youth employment and moving from talk to action.

“More than 75% of ventures funded will be led by women creating jobs,” Dr Nyambi said.

“Ultimately, our impact will be in building the investment ecosystem for investment vehicles and in the SMEs that will thrive and create dignified employment.”

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