

## Mastercard Project Kirana for Women

### Context:

Women's Economic Empowerment exists when women can equitably participate in, contribute to, and benefit from economic opportunities as workers, consumers, entrepreneurs, and investors. This requires access to and control over assets and resources, as well as the capability and agency to manage the terms of their own labor and the benefits accrued.

Small retail shops are one of India's largest and most dynamic industries and collectively account for over ten percent of the country's GDP. Many of these shops—known as kiranas in Hindi—are small family-owned businesses that sell everything from groceries to cosmetics and are primarily managed by women. However, due to local gender norms in many small business operations, most of these women are not legally recognized as business owners—with only nine percent of the nation's 16 million retail establishments currently owned by women, when in reality the number should be significantly higher. In addition to the social, gender and mobility barriers that women face in participating in economic activities, these kirana businesses typically face some or all of the following barriers/challenges:

- Access to sufficient and reliable working capital, which is a critical component for business operations because kirana shops provide credit to customers. Most of these small shop owners, however, do not have access to bank credit and rely on credit from distributors or other informal sources.
- Lack of professional business management know-how, which can limit their abilities to attract and expand their customer base, improve operational efficiencies, and increase profitability.
- Despite demonetization, most (micro) kirana shops remain outside the digital economy. With the spread of Covid-19, digitization has become an even more critical imperative for both the kirana shops as well as for customers.

### Objective:

Project Kirana aims to support participating women entrepreneurs by providing them with the tools, resources, and knowledge to successfully own and manage small retail businesses, access financial and digital payment services, and strengthen their own agency in making household and business decisions. The program provides customized training to women entrepreneurs based on real-time needs, covering topics of business and financial management, digital payments, access to financial services, leadership development, and sensitization to address cultural and gender barriers using digital tools, applications, video content, in-person training, and peer networking opportunities to reinforce learnings grounded in real-life experiences. A portion of the training curriculum includes a BuddhiMoney YouTube series, which challenges gender norms in daily business life and covers a broad range of financial education topics through accessible short videos, allowing women to quickly access information while juggling business and household responsibilities.

The project enrolled up to 3,000 women kirana entrepreneurs under 3 different cohorts, of which, it is expected that at least 80% (2,400) will complete the customized training curriculum.

By the end of the activity, the implementing partner will have trained a target of 2,400 women across varying levels of business activity and shop revenue to:

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- Enhance the level of business activity and revenue of women-owned and -run kirana shops to maximize the portion of participants achieving business registration and revenue benchmarks for accessing government schemes and credit programs
- Expand financial inclusion and digital payment adoption among women kirana owners
- Enhance women's business skills, entrepreneurial drive and capacities through business development and digital literacy training

**Partnership Background:**

[USAID-MasterCard MOU](#): details the partnership agreement between USAID and MasterCard for the design and implementation of Project Kirana, signed August 2020. The document includes the scope of work and objectives of the Project Kirana initiative, description of roles and responsibilities among USAID, MasterCard, and DAI, and branding and intellectual property guidelines.

USAID agreed to:

- Commit approximately a minimum \$800,000 over two years to support women's economic empowerment activities through Digital Frontiers, USAID's cooperative agreement with DAI
- Provide project management support, in close coordination with Mastercard, which will include coordinating activities between the Participants and DAI, participating in regular update calls and meetings between the local partner and the Participants' program leads and reviewing the program's work plan
- Provide in-country mission support, facilitate necessary connections and support program logistics through the Digital Frontiers mechanism and team
- Collaborate with Mastercard to manage the overall strategy of the project and goals for the activity
- Support Digital Frontiers on implementation of the Kirana for Women program
- Oversee monitoring and evaluation (M&E) of training results

Mastercard agreed to:

- Commit approximately \$800,000 over two years in in-kind investments to: build and launch the digital platform for the operation of Badi Dukan, Mastercard's initiative in India to support small businesses through credit offerings with lenders, provide project management personnel support to scale-up the partnership with FMCGs and lenders, and provide educational training resources
- Provide a dedicated resource as a full-time equivalent member of staff with responsibility on the ground to ensure appropriate knowledge transfer and alignment between Badi Dukan and the Kirana for Women program
- Review and provide feedback on the selection criteria for local partner procurement in collaboration with USAID
- Work in collaboration with DAI and USAID to garner press and media attention to showcase the success of women kirana owners

DAI, via the Digital Frontiers initiative, agreed to:

- Conduct a competitive bidding process (with support from Mastercard as provided above) to select a local partner to support implementation
- Select the local partner and oversee its tasks throughout implementation
- Provide advisory support and guidance to the local partner on the development of promotional materials to drive awareness of women entrepreneurs

- Work in collaboration with Mastercard to garner press and media attention for the launch of the program

[Digital Frontiers Buy-in Description](#) and [Overview](#): describes the approach for Project Kirana for Women's implementation, including program tasks and milestones over the 28-month timeline.

[Grant Description](#): details the training strategy and measurement framework of the implementing partner, ACCESS Development Services. Includes training plan and approach to achieve Project Kirana objectives and expected outcomes.

[Blog Publication](#): first publication highlighting learnings from baseline data collection and needs assessments to share how grantee adapts training tools and approaches to address this group of beneficiaries.

### **Replication:**

[Project Kirana Replication Kit Scope of Work](#): To improve business management and digital literacy skills among women entrepreneurs and MSMEs, Digital Frontiers will create a "Business Management and Digital Literacy for Women Micro-Entrepreneurs" curriculum replication package, based on existing English-language training materials and tools from Project Kirana, to allow for further adaptation and customization for specific target beneficiaries in developing markets.

The package will include (1) adaptable training curriculum and tools with user guide and (2) marketing materials that provide an overview of each module and how it can be customized, and the benefits of delivery of the curriculum. The replication kit will be modular and customizable for a variety of audiences and translated into English, French, Spanish, and Swahili by November 2022.

A replication intervention may consider partnerships with relevant commercial, government, and community actors interested in expanding access to financial products and upskilling MSMEs to participate in the digital ecosystem.

### **Insights:**

Factors that can contribute to activity success:

- High level of mobile phone access among participants
- Facility of formal market registrations for shops/informal businesses
- Access to in-person trainings for more effective trainee retention and engagement
- Creation of WhatsApp groups to support peer learning and handholding
- Market research around challenges to business operations and revenue growth, or barriers to digitization
- Partnership with financial service providers that offer products that meet the target segment's needs
- US Government backing of financial products to minimize risk, such as developing credit products or credit derisking facilities in coordination with financial institutions, government, or nongovernmental organizations that apply to microenterprises/low-income communities

**Initial Learnings:**

- Incentives and tangible benefits, such as access to financial products or resources to improve business growth, are critical to encourage participation and retention with such a large target population
- Working with private sector actors is necessary to design products that meet MSME beneficiaries needs
- It is helpful to devise solutions to minimize risk, such as credit guarantee facilities, that encourage greater private sector engagement
- Adaptation of the training materials for in-person engagement supplements learnings for those without smartphone access
- Consider cross-mixing cohorts or developing peer champions as women benefit from cross-learning and peer engagement
- Women are time poor and use phones for training but desire human interaction before diving into digital and training application resources

## Mastercard Start Path Empodera

### Background:

USAID and Mastercard partnered to launch [Start Path Empodera](#), a business accelerator supporting female tech entrepreneurs in Latin America. Start Path Empodera seeks to support and build the capacity of early-stage women-led technology startups in Colombia, Peru, and Ecuador to a) achieve scale, b) bring to market products and services that meet the needs of women, c) raise their individual profile as a model for aspiring female entrepreneurs, and d) attract private capital investment.

Start Path Empodera is the first gender-specific iteration of Start Path Global, Mastercard's award-winning program focused on identifying and supporting high potential venture-backed startups with global ambitions to achieve scale in short timeframes. Launched in 2014, Start Path has built a portfolio of elite startups, with a number of female-led ventures. These women have collectively raised over \$1.0B in capital to grow their businesses. Supporting this type of company is important to USAID and Mastercard because these startups have the potential to become global in nature, employ large core teams and stimulate their regional/local startup ecosystems, acting as highly effective catalysts in driving economic growth. Research has demonstrated that female-founded, high potential venture-backed startups with diverse teams perform better, returning better business results, better returns for investors, and do so on less capital.

### Program Design:

Mastercard and USAID/ITR submitted a proposal for USG Women's Global Development Partnership funding in August 2020 where they identified emerging fintech markets that are experiencing "green shoot" growth in fintech and technology start-ups. In these markets, Mastercard and USAID believed that collaboration could accelerate impact to help startups achieve scale. This proposal focused on female founded startups at the early/mid-stage who could benefit from USAID and Mastercard support to become high potential venture-backed startups with global ambitions to scale.

The program design follows a four-phase approach, applying Mastercard's Start Path expertise and brand to stimulate, scale, and sustain women entrepreneurs in Latin America. The program was designed to partner with private sector partners and sourcing organizations to recruit and identify high potential applicants, provide opportunities for commercial exposure, access to investors, and inspire the next generation of female entrepreneurs. With four pitch competitions hosted over a period of two years, this activity will lead to 40 companies completing the Start Path Empodera curriculum. This accelerator is led by Mastercard providing up to \$3 million of in-kind support, USAID providing \$3 million for implementation and grant funding, and is implemented by DAI with a communications firm and accelerator expert consultant based in Colombia.

### Replication Considerations:

Market characteristics needed for replication:

1. Increased Venture Capital funding flowing to startup ecosystem
2. Rapidly expanding technology access, with national governments driving technology initiatives to drive digital access/adoption
3. Strong partners eager to partner in sourcing/promoting female founded ventures
4. Existing Mastercard & USAID network in the market
5. Enabling communications environment with outlets to promote technology startups and women

## Program Overview:

- **Phase One: Planning and Promotion**
  - Identify an advertising agency to manage social media and program marketing. Public and private allies promote the recruitment of potential female entrepreneurs to apply to the competition
  - Identify strategic allies and mentors in the market, such as financial entities, technology companies, government, educational entities, to ensure that the program provides benefits and incentives to the participants to enhance their experience
  - Develop selection criteria, application content, and workshop curriculum
- **Phase Two: Competition and Selection**
  - Develop eligibility criteria. Current requirements include: companies registered in Colombia, Ecuador, or Peru as startups with a female founder or member of the leadership team, startup must work in the e-commerce, Fintech and/or financial inclusion market
  - Create the application: Eligible startups complete an online application consisting of 30 questions to describe their company's demographics and interest in the program. An evaluation panel selects up to 30 participants to participate in a virtual pitch competition
  - Set up the pitch competition: Finalists participate in a final scoring round, in which winners can apply for and receive a milestone-based grant to support their participation in the Start Path Empodera Program and advance women's empowerment within the entrepreneurial ecosystem in Latin America. Judges from Mastercard, USAID, and investment firms determine the list of winners of the financial award and admission to the acceleration program
- **Phase Three: Accelerator Program**
  - The 17-week business development program includes training on:
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Workshop	Objective
Business strategy and model for start-ups	Develop an actionable business plan focused on the entrepreneur, as well as problems, solutions, key metrics, and competitive advantages
Sales Process	Highlight the importance of the sales process and what is required for it to be satisfactory
Jumpstart	Focus on design thinking process phases: creative approach to problem solving, which promotes decision making through people-oriented thought. Examine all aspects of interaction with final users, starting with whether or not the customers' needs are met
Corporate finance and fundraising	In-depth look at different forms of funding for start-ups/ Develop an investment plan: How much will the business need? What channels make the most sense to follow?
Sales strategy and GTM customer acquisition	Develop an approach to acquire, retain, and increase the customer base
Commercial business operation - Cost/expense management	Examine more effective forms of business management and avoid common mistakes. Create objectives and key metrics
Female Leadership	In-depth look at the importance of women's leadership and their role as a business owner in the corporate world
Marketing- Messaging and Content - Brand/Storytelling	In-depth look at how to send more effective messages and appropriate forums/formats. Update presentation materials and marketing content: create versions aimed at specific audiences

- o Mentor engagement - Mentoring sessions are held with each of the companies based on the needs identified during the diagnostic. Each company has 2 mentors aligned with their diagnostic needs
  - o Expert speaker series and power talks by Allies and Partners
  - o Program events and networking opportunities, such as Club Empodera, an active network of female entrepreneurs with professional development opportunities and shared community of resources
- **Phase Four: Monitoring and Sustainment**
    - o Help the four cohorts of women entrepreneurs to build an alumni network and join a cohort of other women entrepreneur grantees from each round of the competition that will continue to support each other beyond the end of the grant program
    - o Set up continual monitoring and promotion of the traction/impact of participating companies (e.g., employees hired, communities served). Follow-up surveys, interviews, and feedback sessions routinely collect data on program setup, knowledge gain, business metrics, customer growth, revenue growth, women reached

**Partnership Background:**

[USAID-Mastercard MOU](#): details the partnership agreement between USAID and MasterCard for the design and implementation of Start Path Empodera, signed August 2021. The document includes a brief description of roles and responsibilities among USAID, MasterCard, and DAI, and branding and intellectual property guidelines.

[Blog Publication](#): describes the challenges within the entrepreneurial ecosystem in Colombia and how fostering a networking of female-founded startups can address hurdles related to access to credit and financing to support growth

[Digital Frontiers Buy-in Description](#): describes the approach for the Start Path Empodera implementation, including program tasks and milestones over the 24-month timeline.

[Success Stories](#): describes the impact of the Start Path Empodera program on the second cohort with learnings on how the program adapted to meet the needs of the entrepreneurs and supported their growth. Additional learnings will be published here after each cohort.