MERCY CORPS

VENTURES

The Crypto For Good Fund is led by Mercy Corps Ventures (MCV), the impact investing arm of Mercy Corps. Founded in 2015, MCV has supported 32 early-stage ventures to scale and raise over USD 125 million in follow-on capital. Our portfolio centers around solutions that build climate and financial resilience, so that those living in frontier markets can withstand disruption and plan for the future. MCV works with partners to responsibly pilot new decentralized finance products and services tailored to low-income and un/underbanked populations.

About The Fund

Why we're launching the Fund

MARKET NEED

The hype of blockchain for un/underbanked populations has not yet been matched by the reality in market. While some real world use cases exist, most lack the measurable outcomes to build a business and impact case for these technologies.

OUR OBJECTIVE

We aim to close this 'hype gap' by identifying and supporting innovative use cases for financially underserved populations.

Our objective is to test and build the evidence base for innovative financial technologies in frontier markets. For example, how and to what extent are blockchain, digital assets, and cryptocurrencies useful in expanding and accelerating financial inclusion and resilience for low-income and un/unbanked populations?
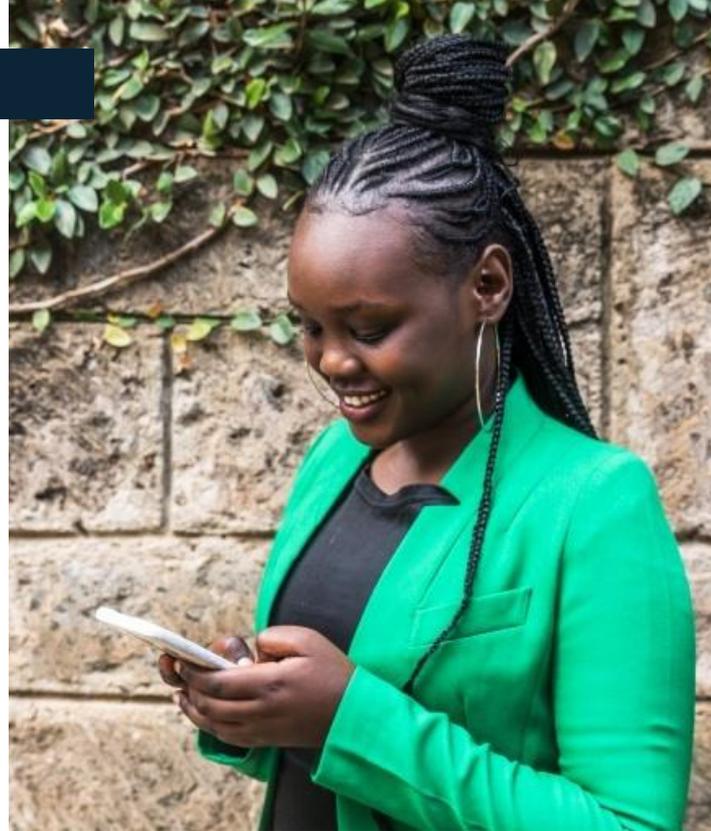
The Fund will provide up to
$100k grant funding
to each successful startup

Who we are serving

THE CONTEXT

Globally, billions of people are underserved by the existing financial system. Financial exclusion limits the ability to spend, save, send, and secure money, and remain resilient to everyday challenges or global shocks. Each individual and community confronts different challenges and inequities that need to be uniquely addressed.

Nearly 60% are women. The exclusion of women from the financial system leads not only to poorer life outcomes for themselves and their families, but also constrains the potential of society as a whole.

EXAMPLE POPULATIONS

- **Smallholder farmers** who lack access to crop insurance products
- **Refugees and migrants** underserved by the existing financial system
- **Unemployed youth and informal workers** who require micropayments with low transaction costs

1.7B adults are unbanked

without an account at a financial institution or through a mobile money provider

Who we are looking for

WHO
Impact-driven entrepreneurs and tech-focused startups with a preference for gender-balanced and local leadership teams

WHAT
Startups building innovative digital financial solutions with massive potential to reach scale using blockchain-powered technology

WHERE
Solutions for financially underserved populations in frontier economies in Asia, Africa, Latin America, and parts of Europe

Up to 10 startups will be selected according to their potential **to advance the evidence base on how blockchain and crypto solutions can support financial inclusion**

What we are looking for

HIGH PRIORITY TECHNOLOGIES INCLUDE
- Coins / Tokens
- NFTs
- Digital wallets
- Lending protocols
- Digital ID
- DAOs
- Smart contracts

SAMPLE USE CASES
- **Humanitarian or Disaster Response**
  e.g. wallets for migrants, stablecoin cash transfers
- **Agricultural**
  e.g. micro-insurance, credit, supply value chain, cooperatives, savings, DAOs for agtech
- **Micropayments**
  e.g. peer-to-peer, small to medium sized enterprises, cross-border transactions

We expect the proposed pilot to be on your product roadmap. The Fund serves to accelerate the realization and deployment of these solutions

Benefits for selected startups

GRANT FUNDING
- **Up to $100K** in equity-free grant funding

MENTORING
- **Coaching from Mercy Corps Ventures** team members, including impact investment professionals and former entrepreneurs

NETWORKING
- **Introductions to Mercy Corps Ventures' ecosystem** of investors, accelerators and startups

IMPACT MEASUREMENT & MANAGEMENT
- **Tailored advisory on impact metrics** and framework, including alignment with global standards
- **Lean data mobile survey for deep insights** on end user impact

INSIGHTS & MARKETING
- **Initial article & follow-on articles** for each of the projects after delivery, hosted on MCV's Medium page
- **Exposure to a highly engaged audience** via MCV's social media and newsletter

Find out more

Why We Invested | Pilots | Impact Report

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Initial application

Co-designing for finalists

Implementation

Applicants are **required to propose an initial set of metrics** to track performance and measure impact throughout the challenge duration.

The MCV team will review the proposed metrics at the evaluation stage.

MCV team will work closely with each of the 20 finalists to adapt/refine the metrics and **develop a framework/KPI dashboard**, based on lean data practices.

Our approach **prioritizes IMP's 5 Dimensions of Impact** (what, who, how much, contribution, and risk).

Metrics will be contractually agreed upon, and **monthly reporting will be required.**

Selected startups will be required to identify opportunities **to collect qualitative data and user insights** (eg. customer testimonials, interview quotes, survey results, photo/video assets).

Potential add-on: **60 Decibels** Lean data mobile survey on end user impact.

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FINALISTS SHORTLISTED
Up to 20 finalists chosen and to receive support from MCV to prepare for Pitch Day

PILOT DELIVERY
Monthly status updates and data sharing on finance, legal and procurement processes, and more.

APPLICATION PERIOD
Startups submit applications (*pilot proposals for blockchain solutions that drive financial inclusion in frontier markets*).

Applications will be reviewed on a rolling basis, so we encourage early submissions.

Deadline: 15 April 2022

PITCH DAY
Startups have a 10-minute slot to pitch the Fund Panel, followed by a Q&A.

Up to 10 startups will be selected.

WRAP-UP
Finalize all deliverables and share final internal report. Conduct an impact assessment and **publish relevant findings**.

Next steps

APPLY
We anticipate that the application form should take 2-4 hours and must be completed in English. We review applications on a rolling basis, so the earlier you apply, the earlier you will hear back.
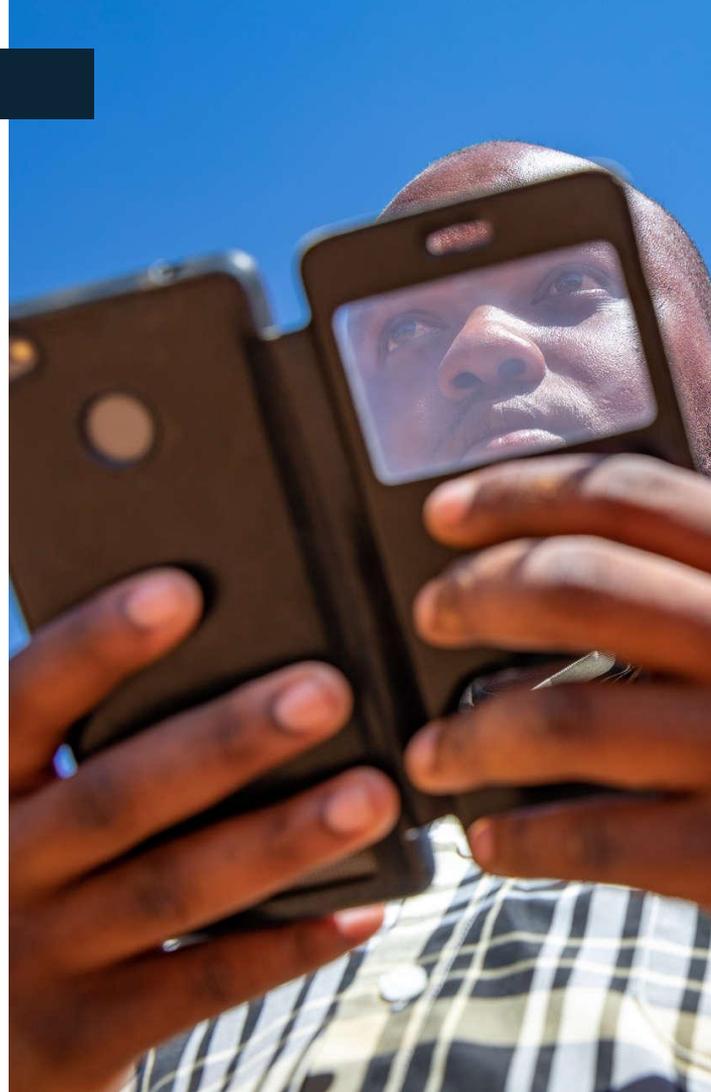
READ THE TERM SHEET
The Term Sheet provides all the information you will need on eligibility, application process and pilot timelines, commitments from selected startups, and more.

VISIT THE FAQs
For any future questions please refer to the frequently asked questions.

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Example Cases

Cross-Border Stablecoin Payments for Digital Microworkers in Kenya

In Kenya, 68% of the total population is below the age of 35, but the formal economy is not meeting job demand for this group. **Digital microwork is a new model of income generation** that leverages the global supply of digital work on the internet with the ubiquity of mobile phones among un/underemployed populations. High transaction costs and delayed payments have been significant barriers to this opportunity, so **we piloted stablecoins as a low-friction, low-cost payment rail.**

CORE HYPOTHESES

01.
Celo Dollar stablecoin can improve cross-border payments and reduce transaction costs.

02.
Smartphone-based digital microwork can improve work opportunities for vulnerable, unemployed youth.

03.
Valora digital wallet with CELO incentives can increase adoption and retention of unbanked populations.

Smart Contract Weather Insurance for Farmers in Kenya

Through this pilot, **for the first time, we are integrating blockchain smart contracts into an existing weather index product at scale**. In an extreme weather event, policies are automatically triggered — facilitating fair, transparent, and timely payouts for smallholder farmers. By removing a third party verifier, this reduces the number of intermediaries, minimizes overhead, and increases policy coverage.

CORE HYPOTHESES

01.
ACRE Africa can automate insurance payouts using smart contract insurance and minimize operational overhead, providing greater savings to the client.

02.
Blockchain-based insurance contracts increase trust by providing transparency to customers.

03.
Faster payouts will improve farmer resilience to weather shocks.

DeFi Savings Incentives for Informal Merchants in Rwanda

Across Africa, there are 10 million informal shops, run by merchants who often face unexpected shocks, such as changes in inventory cost. This can cause business inefficiency and severely impact their livelihoods. Through a **DeFi powered prepayment service integrated into an established e-logistics platform**, this pilot was designed to help merchants digitize their transactions, manage their cash flows, and **plan better for their businesses.**

CORE HYPOTHESES

01.
Last-mile distribution platforms can provide higher-order financial services to their customers.

02.
A Prized Linked Savings approach can incentivize merchants to save digitally.

03.
DeFi investments can diminish or cover the costs of interest, prizes, and other incentives.

West Africa's first female-founded crypto investments platform

MARKET NEED

Francophone Africans face **weak local currencies and expensive and hard-to-manage bank accounts**, but mobile ownership is growing, fast, and there is a high demand for crypto.

THE EJARA SOLUTION

Ejara is the **first decentralized investment and savings platform** to experience regional growth in Francophone Africa. It has a **fundamentally different approach to "get-rich-quick" crypto platforms,** with an impact-driven mission to serve the mass market and financially excluded, emphasising financial education and responsible investing.

Ejara already has an **industry leading ~40% female user base** which is **three times over crypto averages.**

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CONTACT

Kenneth Kou
kkou@mercycorps.org

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