

### **OVERVIEW**

She Wins Africa is a five-year program to improve opportunities for women-led startups to access early-stage financing. IFC is committed to increasing access to finance for women through its investments and advisory solutions, which include providing training, mentorship, and networking opportunities for women-led businesses. Women led startups face significant challenges in accessing investment readiness programs and startup capital. According to PitchBook Data, in 2021, 85% of the global venture capital funding went to startups with only men on the founding team.

### **PROGRAM BACKGROUND**

She Wins Africa is aimed at accelerating access to startup capital for women-led startups and building a gender-lens investing moment by:

- Tailored training interventions to address unique investment readiness gaps for women and help them position their startups for potential investments.
- Facilitate connections with potential investors including venture capital firms, private equity funds, and financial institutions to help women-led start-ups expand their network and gain experience in pitching their businesses.
- Improve the capacity of private equity /venture capital (VC)funds to implement gender-lens investing strategies and new practices aimed at better reaching women-led startups and enterprises.
- Increase the capacity of entrepreneurship support organizations (ESOs) in Africa to support the incubation of early-stage womenled startups and build a strong pipeline of investible startups.

### CONTEXT

- Nearly a quarter of African women (24%) start their own business, the highest rate of entrepreneurial activity in the world, and far more than women in Southeast Asia & Pacific (11%), Middle East (9%), Europe and Central Asia (6%).
- Women own over 40% of small and medium-scale enterprises (SMEs) in Africa, yet they are constrained by a US\$42 billion financing gap¹.
- In 2021, startups founded or led by women received less than 7% of all funding that went to Africa.

### **THE BARRIERS**

# Lack of start-up ecosystems and networks that deliver relevant capacity-building support for women:

The proportion of accelerators and incubators per capita is low across the continent, at an average 0.11 per 1,000,000 inhabitants. This is 36 times fewer than North America, and 17 times fewer than Europe. Only a handful of markets in Africa have built strong ecosystem support for women-owned businesses. Across the continent, programs that provide basic entrepreneurship skills to women abound and female founders are more likely than their male peers to have received such training, yet the impact on their business growth and funding prospects is not commensurate.

**Biased or skewed allocation of start-up finance:** there is a clear and noticeable distortion in how venture capital is distributed among both places and people. Startups in emerging markets raise only a fraction of the capital raised by those in developed markets — in 2018, emerging-market economies accounted for just 18% of equity and venture capital raised. More remarkably, startups with a woman on their founding or leadership team received only 11% of seed financing and only 5% of later-stage venture capital in emerging markets.

Lack of knowledge and expertise to implement gender-lens investing strategies among VC firms and funds: Investors lack the knowledge and expertise to develop and implement a gender-lens investment strategy. This gap, in addition to unconscious bias exacerbates the funding gap for women -led startups. Research by Village Capital and IFC, found that when investors were deliberate and added structure to the evaluation framework, it significantly improved the evaluations of women-led startups. This evidence underscores the need for interventions that deliver relevant's kills and help investors to address unconscious bias and build internal technical expertise to apply a gender-lens when evaluating investments.

### **CONTEXT**

- **Project 1: She Wins Startups:** This component will provide investment readiness training in preparation for pitch events for at least 100 women-led startups.
- Project 2: The IFC Africa Startups Academy: This work will set up a bootcamp for 200 early-stage, pre-seed women-led startups to help build capacity and prepare them for acceleration.
- Project 3: She Wins Africa Sub-regional Scaleup:
  This is the scale up phase where the project will reach an additional 200 women-led startups in partnership with other ecosystem players.
- Project 4: Accelerating gender-lens investing momentum in Africa: This work will bring together a coalition of funds and VCs and other gender-lens investors to work together to accelerate access to finance for women and women-led startups in Africa.

She Wins Startups, is the initial phase of the program. The participants are selected through an open call for applications running in August and September 2023. This first cohort will undergo investment readiness training and participate in networking, match making and pitching events with potential investors over a period of one year.

- Gender finance gap in Africa. 2021
- 2 Venture Capital and Gender Financing Gap: The Role of Accelerators





# Investment Readiness Training for Women-led startups

All participating startups will undergo investment readiness training over a period of one year. This will be delivered virtually or in-person depending on logistics.

# Networking, match making and pitching events with Investors

Startups will have the opportunity to participate in networking, match making and pitching events with potential investors throughout the program. IFC will organize a series of events where startups will network and meet with investors and can pitch their business.

## **EXPECTED RESULTS, SHE WINS STARTUPS:**

### Impact:

Participating startups report increased access to finance.

#### Outcomes

- Startups improve investment readiness skills and knowledge including increased confidence and proposal writing skills.
- Startups increase connections and networks with potential investors.

### **CONTACT US**

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