

March 2022



# Women in African Investments

## WAI Group Impact Report

*How a network of women is changing the way we invest in Africa*

# ABOUT THE PARTNERS



Lelapa is an advisory firm specialising in FinTech regulatory policy and innovative financing mechanisms for African businesses. Lelapa's flagship project is the implementation of regulations for investment-based crowdfunding across Africa with the African Crowdfunding Association. In 2017, Lelapa created the Women in African Investments Group (WAI Group), a community of over 160 women executives in the investment industry in Africa. It supports peer learning, networking and influences the industry towards deploying more capital to both women fund managers, and women-owned businesses in Africa. The WAI Group has a wealth of experience from its members (DFIs, private equity and venture capital funds, SME funds, angel networks, etc) on the barriers and enablers of growth for women-owned businesses.



Small Foundation is family foundation focused on ending extreme poverty in sub-Saharan Africa by 2030 by catalysing income-generating opportunities, and supporting highly-leveraged interventions that improve business ecosystems in ways that are effective, sustainable and scalable.



Briter Bridges is a fast-growing market intelligence and research firm focused on emerging economies. Briter has built the largest collection of visual publications on Africa and underserved markets and regularly provides data and insights to corporates, development finance institutions, governments, and investors. Briter's proprietary business data platform, Intelligence, is regularly used by thousands of public and private organisations ranging from the World Bank to Amazon and governments.

# FOREWORD

To take high-risk bets, entrepreneurs need a healthy dose of denial about their odds of success. The same is true for first-time fund managers. However, the odds of successfully closing a fund as a woman in Africa are so appallingly low that those who try might find themselves straddling self-belief and self-delusion. Yet it is this group of women who must be encouraged and supported by the whole fund management industry if it believes that a more diverse group of people should be deciding who and what gets funded - and also how they get funded.

The Women in African Investments (WAI) Group is an active network of over 160 women investment professionals who work towards a more equitable distribution of investment capital on the continent. It is a crucial source of both moral support and strategic connections for first-time and emerging fund managers. The WAI group helps development finance institutions to identify diverse fund managers and to build relationships with them. For development agencies and foundations, the WAI Group helps deepen their understanding of the levers of change that can be pulled to boost the number of women fund managers in Africa.

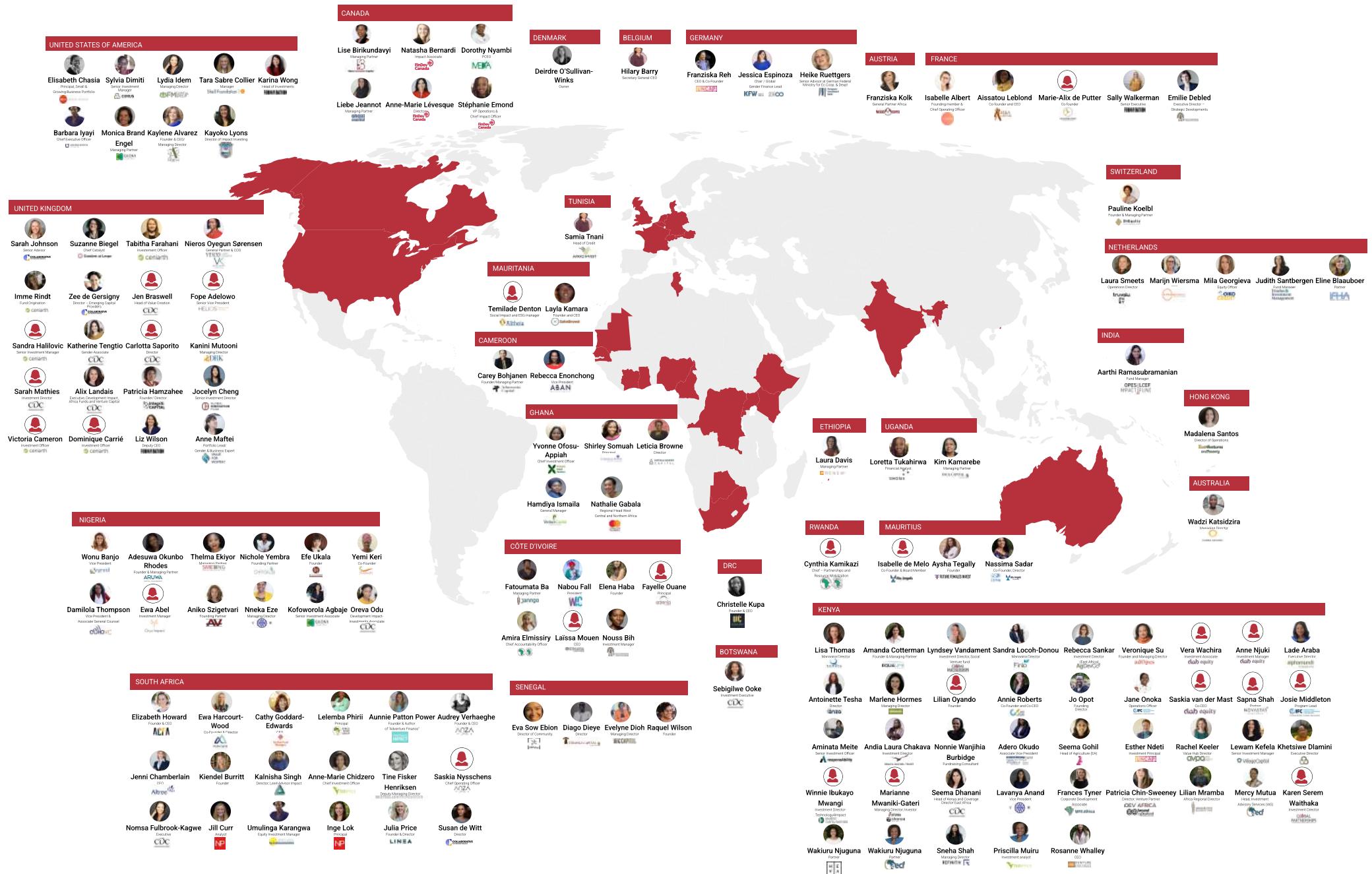
Based on the change we have seen over the past four years, we are convinced that networks like WAI will improve the odds of success for women fund managers entering the market today. With the aim of inspiring similar networks in other markets and sparking collaborations, this Impact Report showcases the WAI Group and illustrates the perceptions and experiences of its members. It also features some of the game-changing market interventions led by WAI members.

This work is contextualized with data from Briter Intelligence about funding to female-founded start-ups. We believe that a more diverse set of capital allocators will translate into a broader range of funding options for entrepreneurs- particularly women. That is a brighter future that we are committed to realising together. We are grateful to the Small Foundation for seeing the value in networks and supporting this report.



**Elizabeth Howard**  
*Founder, Lelapa and WAI Group  
Acting CEO, African Crowdfunding Association*

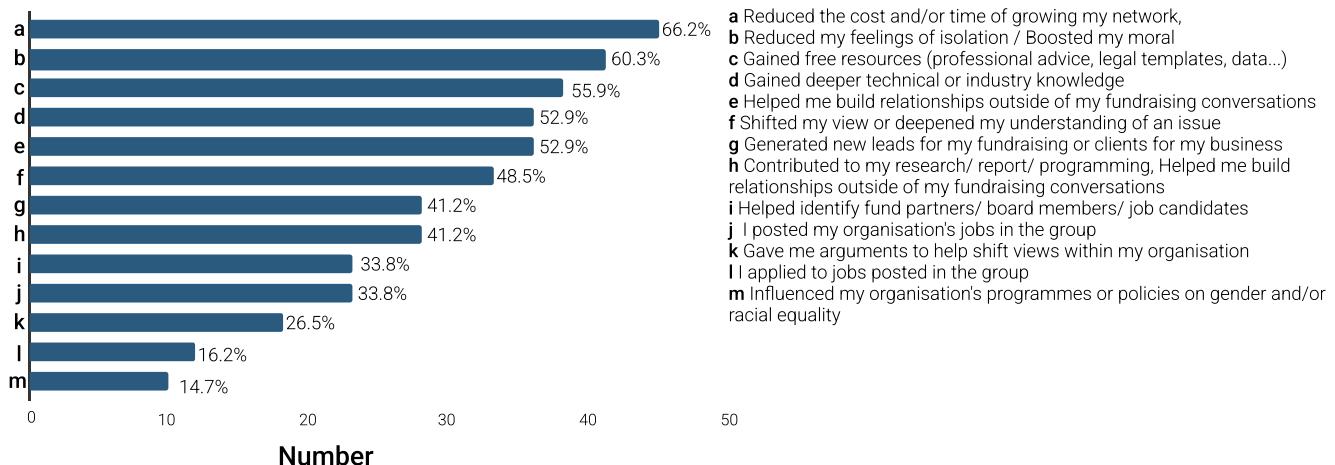
# WAI Members



\*Where members have multiple countries or residence, only one is selected.

# The power of community

Figure 1: Impact on WAI members



- 66% of members agreed that WAI reduced the time and cost of growing their network.
- For 60% of WAI members, joining the network reduced their feelings of isolation and boosted their morale.
- 53% of members used WAI to build relationships outside of their fundraising conversations.

*"At Uncap, we are revolutionizing access to funding. I love being part of the WAI group – I haven't been part of a Whatsapp group EVER that is so helpful, supportive, uplifting and fun at the same time."*

**Franziska Reh, Founder, Uncap (Unconventional Capital)**

*"FFI Angels are unlocking capital from women and catalysing it into female founders. The WAI community has been a great resource in connecting us to new angels and co-investment opportunities and an incredible network of fabulous women."*

**Aysha Tegally, Founder, Future Females Invest (FFI Angels)**

*"The future is co-created! Our togetherness is our greatest resource!"*

**Eva Sow Ebion, Director, Co-Founder, Innovation for Policy Foundation; Director #i4policy**

*"Never underestimate the power of women working together to create change."*

**Lisa G. Thomas, Managing Director, Samata capital**

# WAI Group members are changing the way we invest in Africa

The WAI Group counts many highly influential investors in its membership that are working on systems-change initiatives to allocate capital more equitably and responsibly.

**Featured work:** 2X Ignite

**WAI member name:** Jessica Espinoza

**Organisation:** 2X Collaborative



The WAI Group has inspired our co-design sprint with 120+ female fund managers and LPs, creating “2X Ignite”, a groundbreaking initiative to unlock capital for gender-smart businesses at scale. WAI alongside the 2X Collaborative played a pivotal role in making this happen. Gender bias is failing underrepresented fund managers, founders and gender-smart businesses. We are collectively creating a holistic market-building solution to unlock gender-smart capital at scale by accelerating 100 gender-smart fund managers reaching 1,000+ gender-smart businesses across emerging markets.

**Featured work:** Emerging Capital Allocators Programme

**Member name:** Zee de Gersigny

**Organisation(s):** Collaborative for Frontier Finance and FMO



The Emerging Capital Allocators Programme will support a cohort of 12 fund managers through a year-long programme of training, mentoring, investment readiness and linking to investors.

**Featured work:** The Rallying Cry

**Member name:** Carey Bojhanen

**Organisation:** The Rallying Cry



This report is a call to invest and support women business leaders across Africa developing powerful solutions to mitigate and adapt to the climate crisis.

**Featured work:** Adventure Finance (book)

**WAI Member name:** Aunnie Patton Power



Published in 2021 by Palgrave Macmillan, Adventure Finance explores options for founders and funders outside of traditional venture capital and debt financing to create a funding journey that aligns profit with purpose.

**Featured work:**

"Fund design: building for the underserved African market with a gender lens" (report)

**WAI Member name:**

Elizabeth Howard / Anne-Marie Lévesque/ Natasha Bernardi/ Khetsiwe Dlamini

**Organisations:** Lelapa-WAI Group/ FinDev Canada/ UN Women



This report demonstrates that the way we design a fund can directly affect the representation of women-led businesses in its portfolio. It is a call for innovative fund structures to be a part of a comprehensive gender lens investment strategy. The emerging funds managers that participated in the discussion that led to this report were selected from the WAI Group.

**Featured work:** Advancing Women in Investing

**WAI Member name:** Lisa G. Thomas



AWI is a collaborative of first-time and emerging female capital movers dedicated to ensuring equal access to funding and opportunity.

**Featured work:** JEDI Investing Toolkit

**WAI Member name:** Suzanne Biegel

**Organisation:** GenderSmart



The Justice, Equity, Diversity and Inclusion (JEDI) Investing Toolkit comprises tools and resources that have been developed to help allocators and investment influencers incorporate a gender lens alongside racial and ethnic justice across the investment process. A number of WAI members contributed to this work, including Andia Chakava, Kanini Mutooni and Adesuwa Okunbo Rhodes.

**Featured work:** Harmonisation of Crowdfunding Regulations in East Africa

**WAI Member name:** Elizabeth Howard

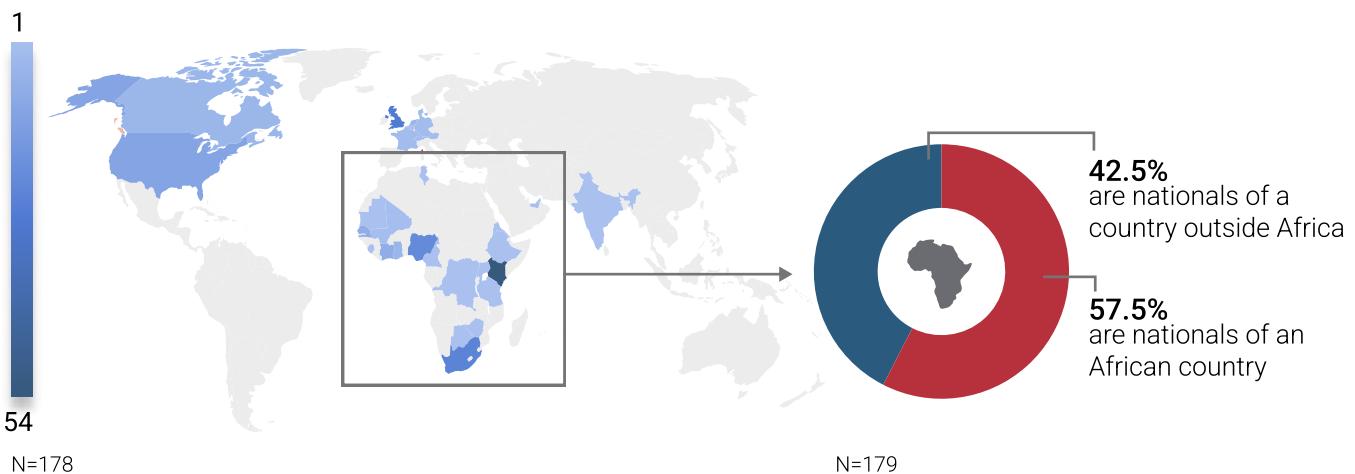
**Organisation:** African Crowdfunding Association



The African Crowdfunding Association (ACFA) recently secured a two-year programme of financial support to implement a harmonised regulatory framework for investments-based crowdfunding in the East African Community. This work will create a regional crowdfunding industry to boost access to finance for start-ups and early-stage small businesses. The WAI Group has been instrumental in developing our understanding of how regulations work for the SME finance ecosystem, particularly emerging fund managers in Africa.

# WAI Group Members

Figure 2: Geographic representation\*



The WAI Group members are spread across the world. More than half the survey respondents are nationals of an African country, with more than 70% of respondents residing on the continent. Kenya emerged as the most frequently mentioned country of usual residence for the respondent members, with South Africa and Nigeria also showing significant numbers. Outside Africa, the United Kingdom and the United States emerged as the top countries.

Figure 3: Years of experience

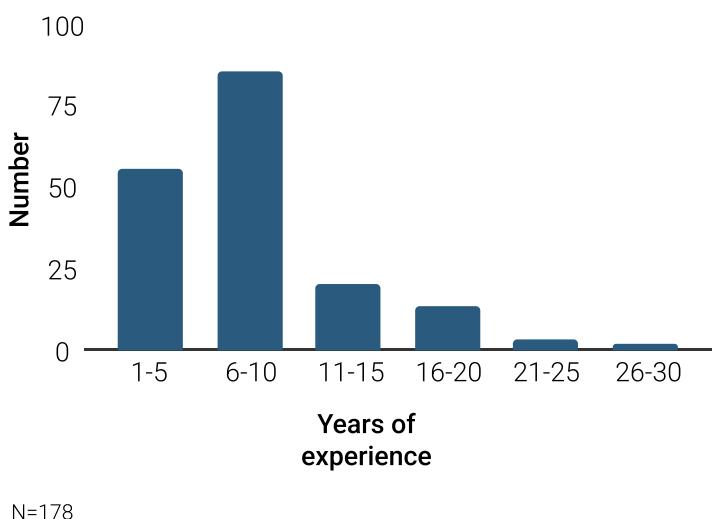
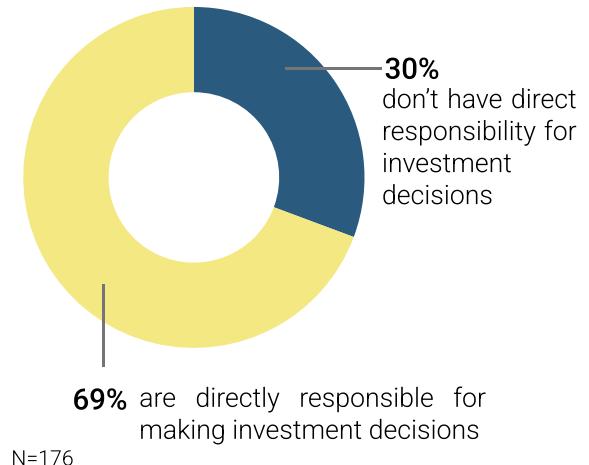


Figure 4: Investment decisions

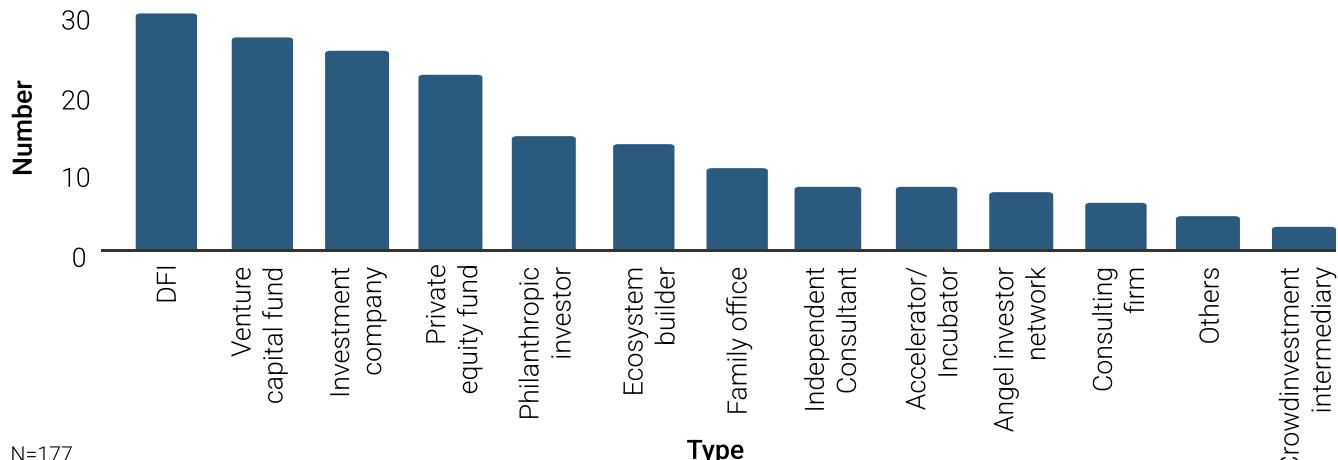


Seventy-nine percent of the 179 respondents have less than 10 years of experience investing in Africa, with the majority averaging between 6 and 10 years of experience. Sixty-nine percent of the respondents are directly responsible for making investment decisions in their organisations.

\*Some respondents reported more than one country of residence; in those cases, all countries were counted separately.

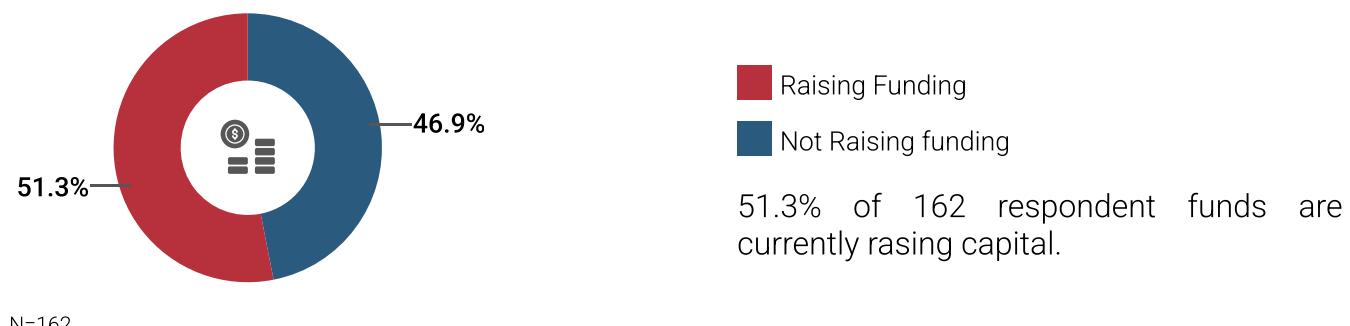
# Fund details

Figure 5: Type of organisation



The majority of members described their organisations as a Development Finance Institution (17%), Venture Capital fund (15%), Private Equity fund (12%) or an investment company (14%). The remaining 42% described their organisations as either hubs, investment networks, consulting firms, crowdinvestment marketplaces, family offices or philanthropic investors. A common trajectory for a first-time fund manager is to finance the first years of their fundraising journey through consulting work. One lever of potential support is therefore to ensure they have a stable stream of working capital through contract work, or to replace that source of income with a working capital facility. First-time fund managers increasingly opt to crowdsource funds to make their first investments, too. The use of business angel networks, "micro-funds" or "crowdinvestment vehicles" may enable first-time fund managers to build a track record alongside their fundraising activities.

Figure 6: Fundraising status

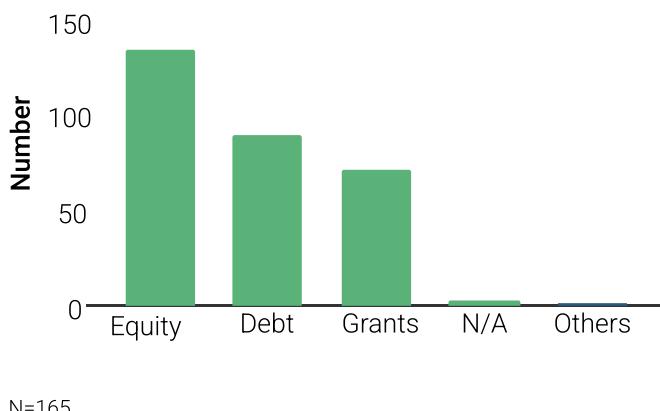


Forty-two percent of members list themselves as first-time fund managers while 51.3% are actively fundraising. This represents a significant pool of potential General Partner (GPs) candidates for DFIs and other Limited Partners (LPs). Building relationships outside of the usual fundraising conversations between GPs and LPs is a key function of networks like the WAI Group.

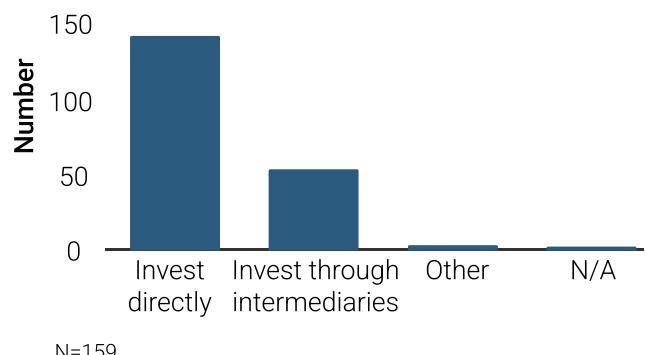
*"WAI group helped me immensely to develop our first African investment-based accelerator program and to build a strong network in the ecosystem just within a few months."*

**Franziska Kolk, General Partner SWG Africa**

**Figure 7: Financial instruments**

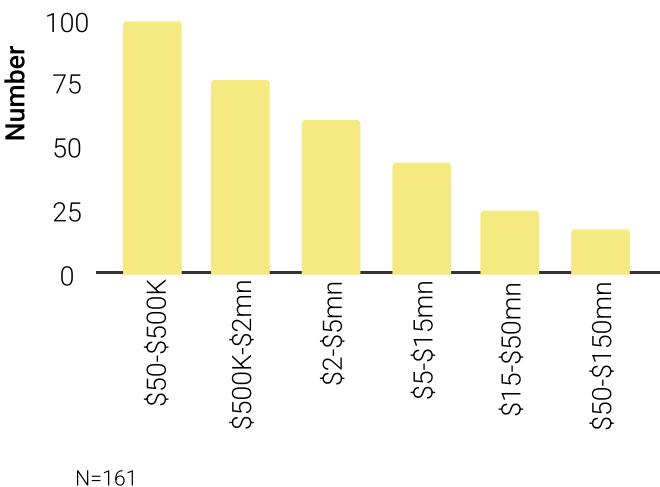


**Figure 8: Use of intermediaries**

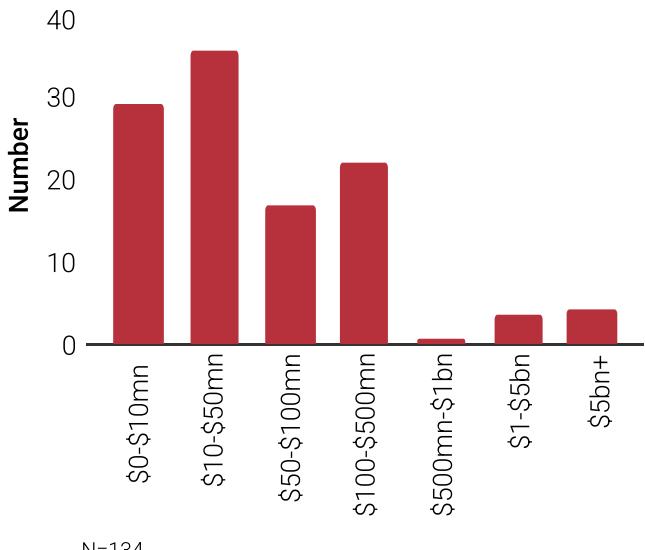


Equity and equity-like instruments are the most popular types of funding provided by the funds surveyed. Debt and debt-like instruments, and grants and subsidies were also significantly used. The majority of the funds, however, combined two or three of the instruments, with 26% of the funds combining all three. Seventy percent of the members' funds invest directly into their portfolio companies, while 27% invest through intermediaries such as GPs, banks, crowdinvestment marketplaces and Microfinance institutions (MFIs).

**Figure 9a : Ticket sizes**



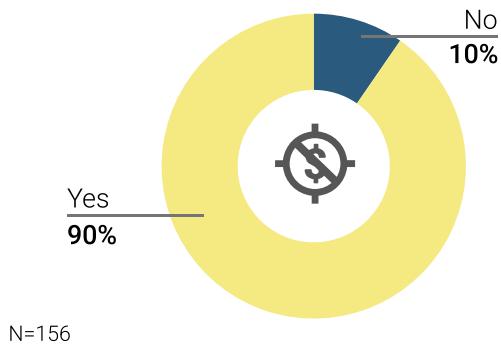
**Figure 9b: Fund sizes\***



The distribution of actual and targeted fund sizes, represented by "Funds under management" (FUM), is broadly in line with expectations for a market that is at an early stage of development. Most organisations represented in the WAI Group are targeting FUM below \$10mn, with many women deciding to establish an investment track record with a smaller amount - as low as \$1mn - before targeting larger fund sizes for which DFIs are an indispensable LP. The sub-\$10mn fund size segment holds much potential for interventions that support diverse managers as well as non-standard fund structures. Consistent with the FUM distribution, the ticket size that is most frequently used amongst WAI members is \$50,000- \$500,000.

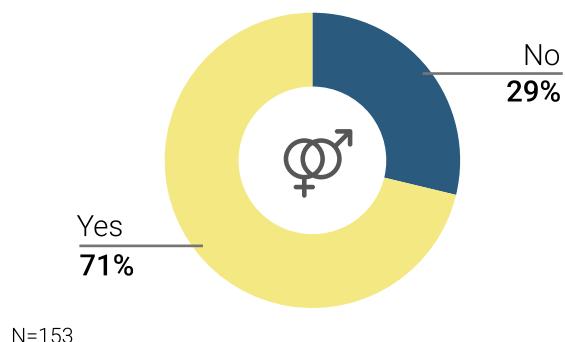
\*The FUM listed includes the target FUM for funds that have not yet closed.

**Figure 10: Non-financial returns goals**



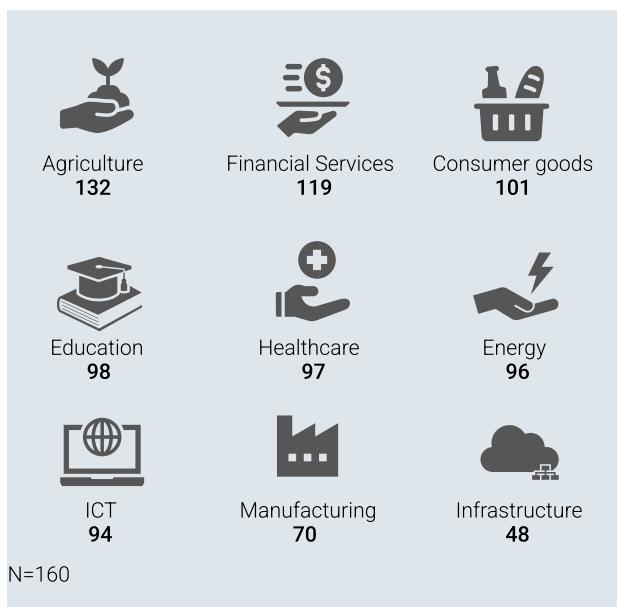
Confirming the dominance of impact-oriented funds in Africa, 90% of WAI members' organisations have explicit, measurable non-financial return goals. These non-financial returns may include, but are not limited to, social and environmental impact considerations.

**Figure 11 : Use of a gender lens**



A large majority (71%) of WAI Group members incorporate an explicit Gender lens investment strategy into their fund or organisation. Gender lens investing (GLI) is an impact investment strategy which deliberately integrates gender analysis into investment analysis and decision-making. Investing with a gender-lens can involve a combination of investing in women-owned or led startups; investing in startups that promote workplace equity; or investing in startups and products that offer products or services that improve the lives of women in a sustainable manner. The WAI Group members benefit from the insights and leadership from pioneers in the GLI field, such as Suzanne Biegel, and also serve as a sounding board for industry initiatives that seek to increase the number of GLI funds in the field.

**Figure 12 : Sectors of investment\***



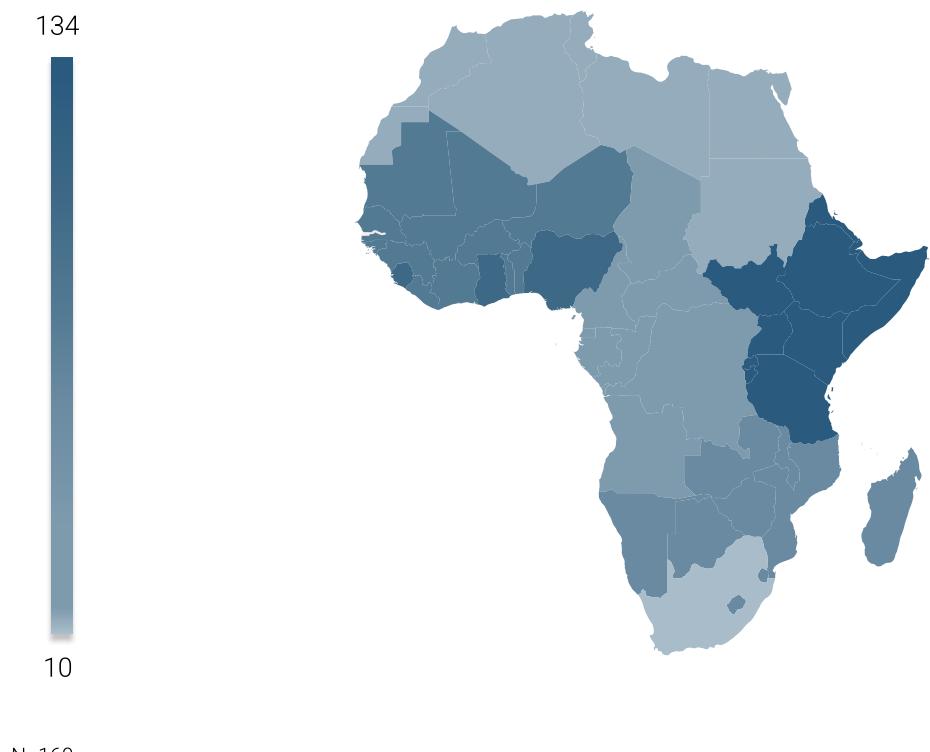
Agriculture emerged as the top sector invested in by funds represented in the WAI Group. Financial services, consumer goods and services also saw a significant interest from funds with more than 100 funds investing in each. Infrastructure was the least reported sector of investment. All respondent funds had multi-sectoral investment strategies.

*"Teranga's mission as a fund manager is to expand access to smart and patient capital to entrepreneurs with a focus on small and growing businesses across sectors. The WAI network has particularly been helpful in linking up with capital providers whose missions align well with ours."*

**Ndèye Diago Dieye, Program Director, Teranga Capital**

\*Where respondents listed multiple sectors of investment, each sector was counted separately.

**Figure 13 : African regions of interest\***



N=160

East Africa remains the darling of impact-oriented funds, with 134 organisations listing it as their region of investment focus. The WAI Group counted Anglophone West Africa (116), Francophone West Africa (100) and Southern Africa ex-SA (93) as the next most popular regions of interest amongst its members. Central Africa (69), North Africa (48), and South Africa (10) were less represented.

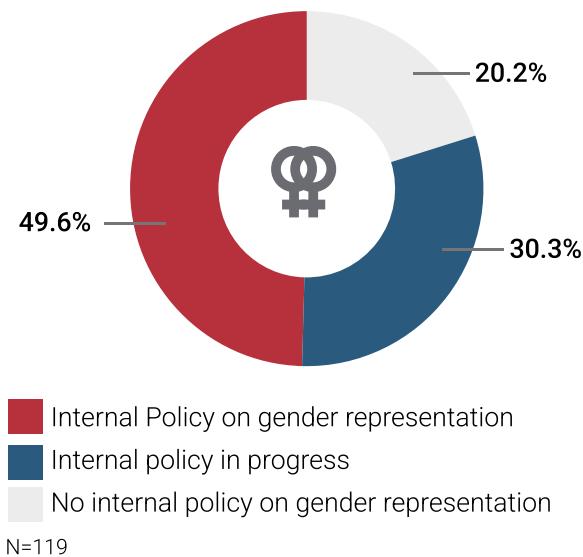
*"At GBF we believe that everyone deserves economic prosperity. We need to move more capital towards women-led and women-owned enterprises that remain underserved to the detriment of society at large. WAI has been critical in supporting GBF in its gender lens investing journey."*

**Lilian Mramba, Regional Director, Africa - Grassroots Business Fund**

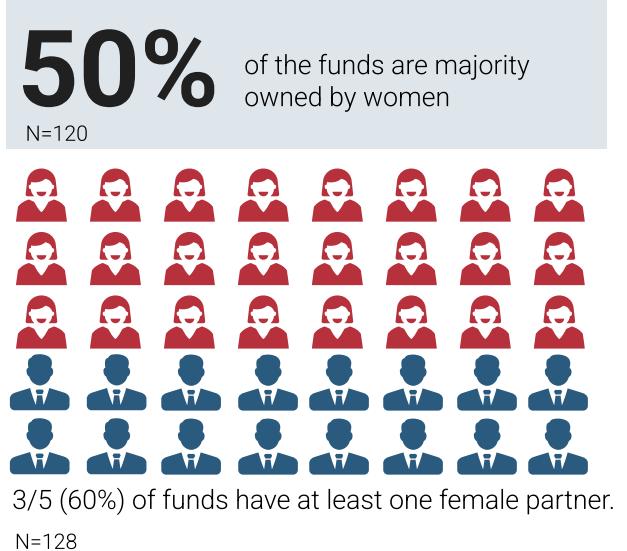
\*Note: Where respondents listed multiple regions of investment, each region was counted separately.

# Diversity

**Figure 14: Gender policies**

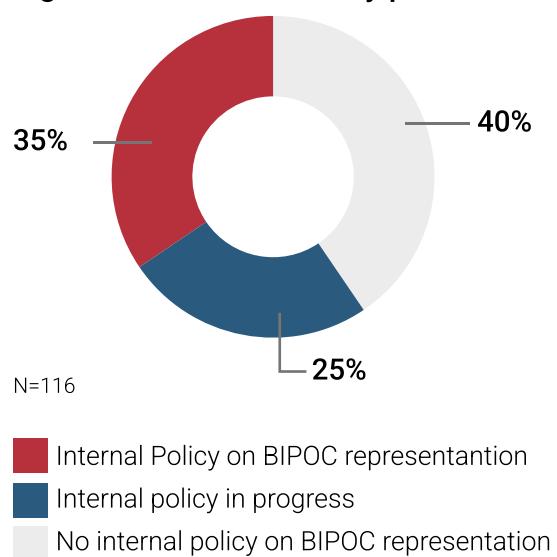


**Figure 15: Gender and ownership**

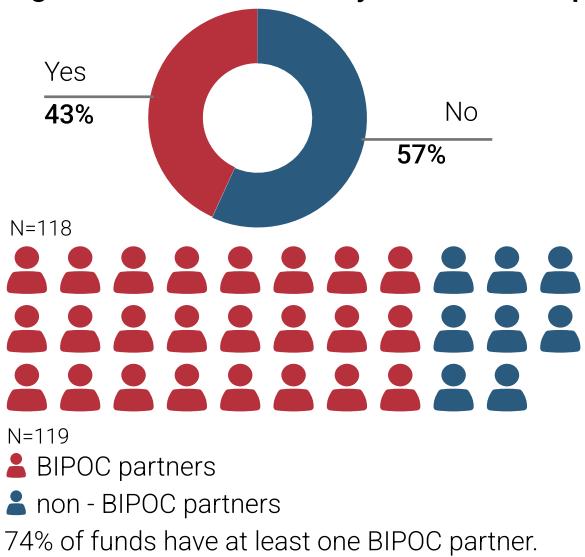


Half of the funds in the WAI Group are majority women-owned. Over 60% have at least one female partner, and over 70% of them have at least one partner that identifies as Black, Indigenous or a Person of Colour (BIPOC). Reflecting the growing recognition of the importance of diversity in fund management, about 80% of funds have an internal policy on gender (or are putting one in place), and about 60% have a policy on BIPOC representation or are working on one. These commitments to diversity may force funds to examine other parts of their business that may inadvertently affect representation in their portfolios, such as investment process and fund structures. For a summary of discussions held on this topic with WAI Group members, please see the featured work “Fund Design: Building for the underserved African market with a gender lens”.

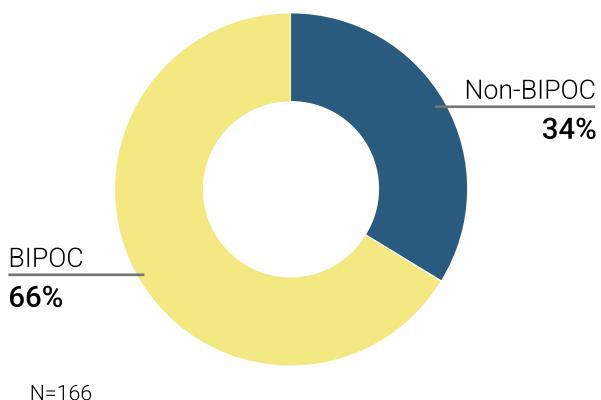
**Figure 16: Racial diversity policies**



**Figure 17: Racial diversity and ownership**

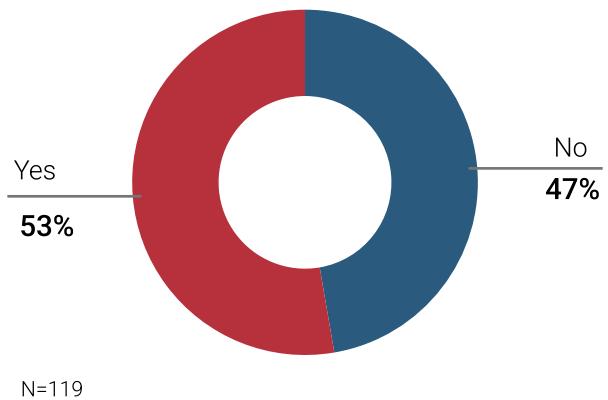


**Figure 18: Respondents' racial identity**

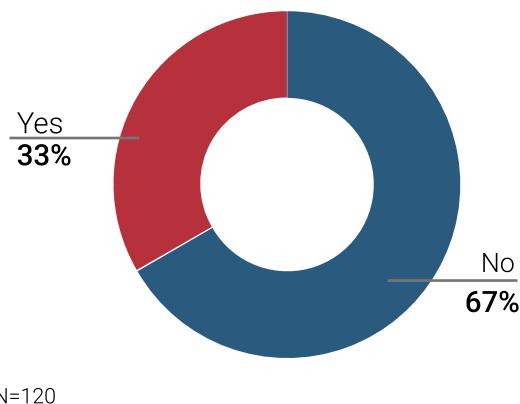


Sixty-six percent of the respondents identified as either black, indigenous or a person of colour, whereas 34% do not.

**Figure 19: Gender mandate**

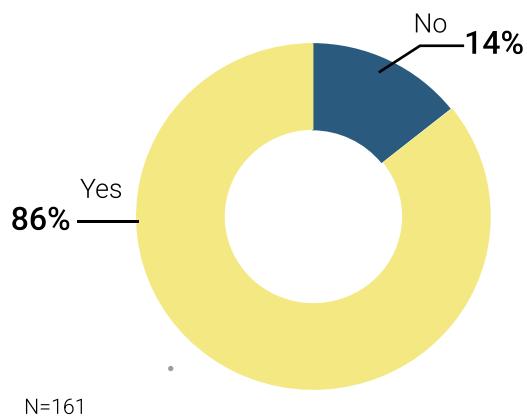


**Figure 20: BIPOC mandate**



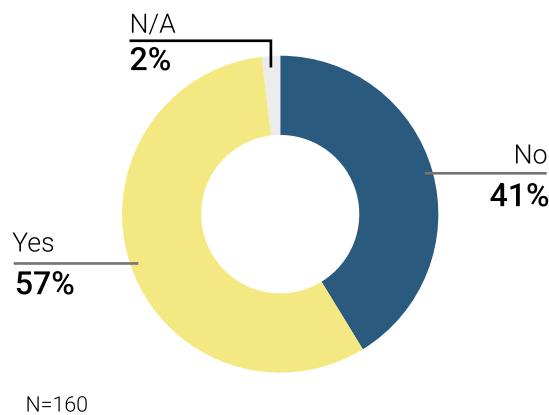
More than half of the respondent funds are obligated to allocate a certain percentage of funds to women-owned portfolio companies. Less than half of the funds are obligated to allocate funds to black-owned portfolio companies.

**Figure 21: Experience of gender bias**



Eighty-six percent of respondents have been negatively affected by gender bias in the industry, for instance in their fundraising journey, while 57% have been negatively affected by racial, tribal or ethnic bias.

**Figure 22 : Experience of racial bias**



# WAI Angels



WAI Angels is a network of angel networks whose primary purpose is to introduce more women to angel investing in Africa. It also serves as a deal-sharing platform and mechanism for emerging female fund managers to crowd in capital for their track record-building deals. WAI Angels has 5 affiliated angel networks and 95 members at the time of publication.

## WAI Angels affiliated angel networks:



**Name:** First Check Africa

**Country:** Nigeria

**WAI member lead:** Eloho Omame



**Name:** Rising Tide Africa

**Country:** Nigeria

**WAI member lead:** Olayemi Keri



**Name:** Dazzle Angels

**Country:** South Africa

**WAI member lead:** Audrey Verhaeghe



**Name:** Mo Angels

**Country:** Mauritius

**WAI member lead:** Nassima Sadar



**Name:** Future Females Invest

**Country:** Mauritius

**WAI member lead:** Aysha Tegally

# Funding to female founders

## Data sample

**2400**

COMPANIES

**4000+**

CO/FOUNDERS AND  
C-LEVEL EXECUTIVES

The following analysis looks at deals to digital and technology-driven startups in Africa between 2013 and December 2021, with data collected from Briter Intelligence. It compares funding to startups with all-male co-founders and c-level executives, all-female co-founders and c-level executives, mixed teams (female and male) and unidentified teams.

## How much funding went to women?

Figure 23: Distribution of deals by value (\$)

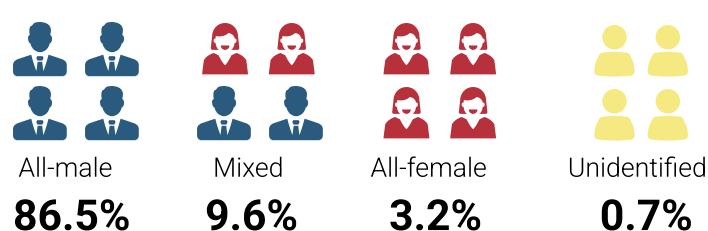


Figure 24: Distribution by No. of deals

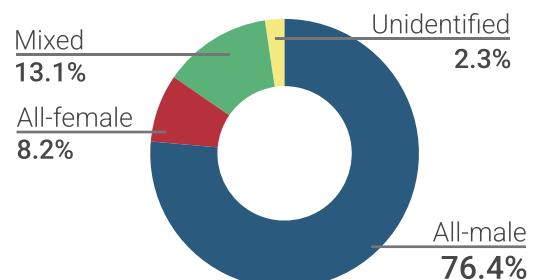
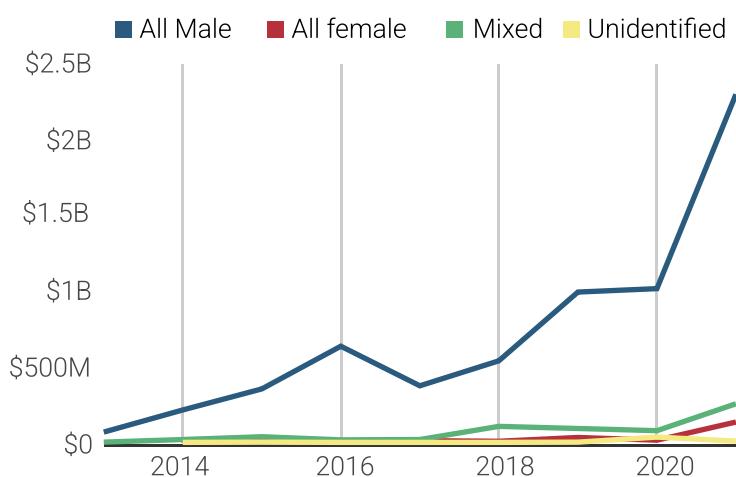
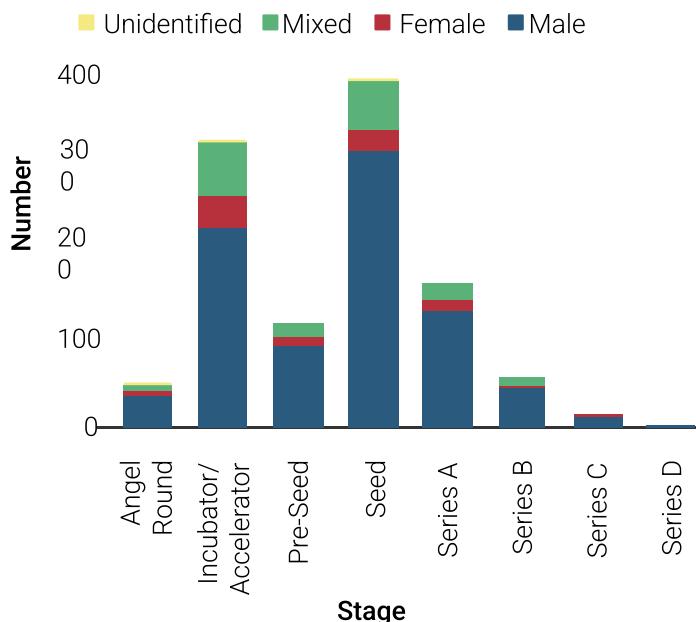


Figure 25: Distribution of funding across the years



Funding to African startups has increased significantly in recent years, but investments are disproportionately captured by all-male teams. Of the \$6.5 billion raised across 2213 deals between 2013 and 2021 (including megadeals over \$100 million), all-female co-founded teams raised just 3.2% in volume and 8.2 in the total number of deals.

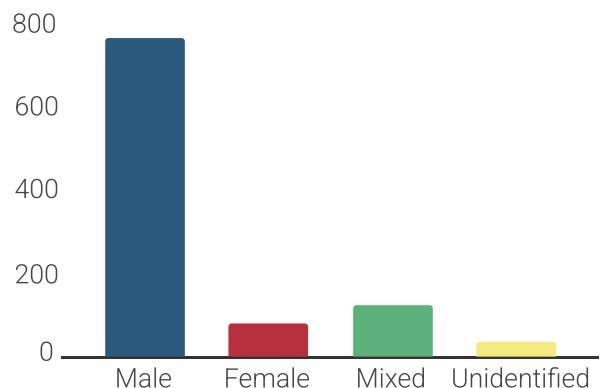
**Figure 26: Funding distribution by no. of deals**



Most deals in Africa occur at the early stages, from incubation/acceleration to Series A, regardless of composition of co/founding teams. The seed stage encompasses seed and seed extension rounds i.e Pre-Series A, Seed I, Seed II and Seed III. Series A encompasses Series A and its extention rounds, i.e Pre-series B. Series B, C and D also encompass their extention rounds.

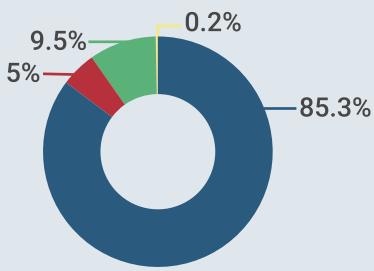
A large majority of rounds were 'unspecified' i.e their stages were not mentioned. Of these deals, only 8.1% went to all-female lead teams. 71.6% went to all-male teams, 12.3 % went to mixed teams, and the remaining 3.6% went to teams whose founders could not be identified. The 'unspecified' deals also include bridge rounds which were not specified.

**Figure 27: Distribution of unspecified deals**

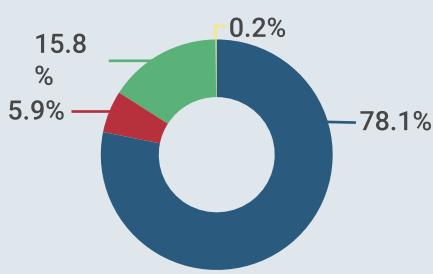


## 2021 in Funding

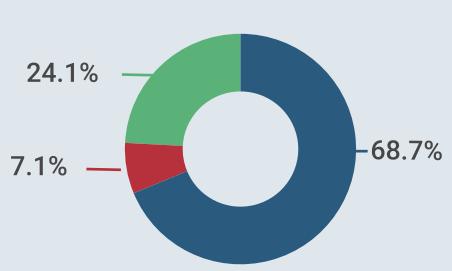
**Figure 28: Excl. megadeals**



**Figure 29: Inc. megadeals**



**Figure 30: Megadeals only**



With and without exclusions, all-female teams captured less than 10% of funding in 2021. Mixed teams, on the other hand, raised almost a quarter of mega deals during the year.

## Which sectors raised the most amongst all-female teams?

Figure 31: Funding by volume of deals (\$)

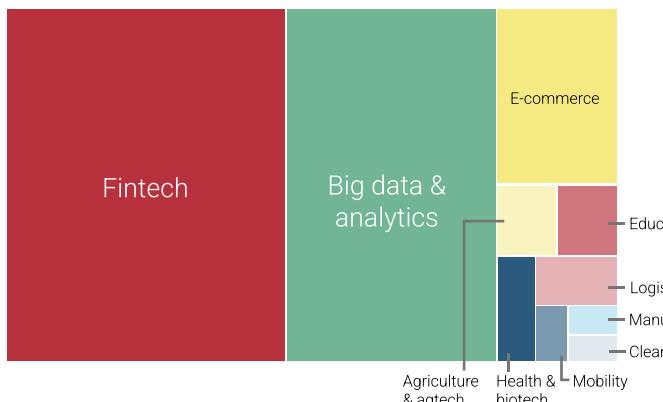
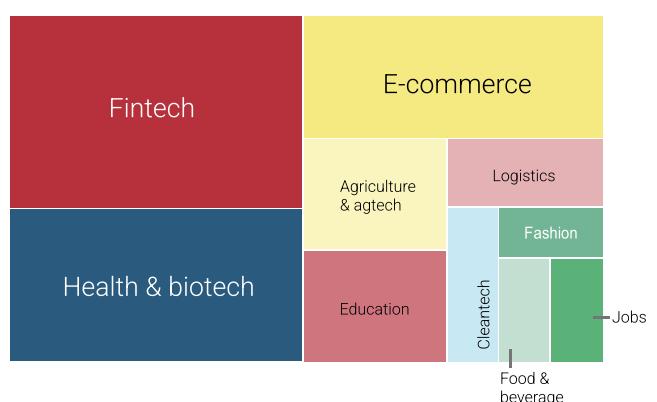
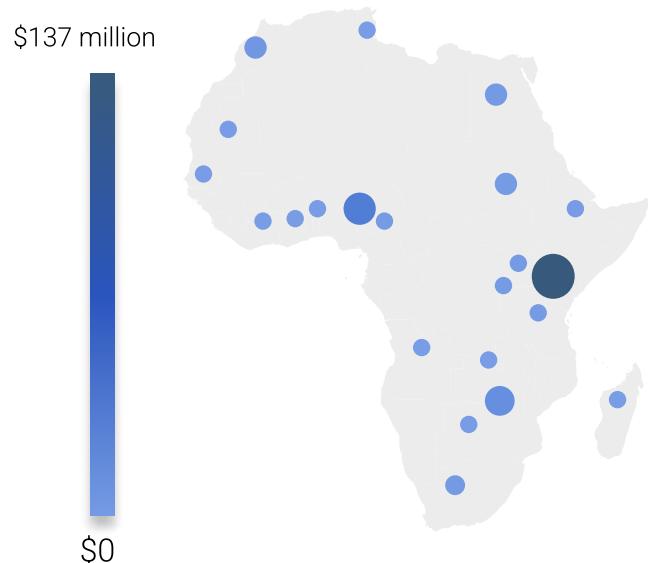


Figure 32: Funding by number of deals



The figures above depict the top 10 sectors among all-female teams in terms of funding allocation. Fintech has captured the vast majority of volumes and number of deals to the African startup space in recent years. This is also the case for all-female teams, with companies such as Tala raising a \$145 million round in 2021. Other sectors gaining significant traction among all-female teams include e-commerce, agriculture, and education.

Figure 33: Geographical distribution of all-female teams



Most of the all-female companies that raised funding during the period are based in Kenya, though notably, several startups have incorporated outside of the continent.

The distribution of funding to all-female teams is in part reflected by Kenya being one of the top locations for startup funding in the region, alongside Nigeria, South Africa, and Egypt.

## Figure 34: Funders of female led startups

The mapping below represents key investors that have invested in rounds above \$1M for all-female led teams. Note that several of these investors may not have a gender-lens when investing. The investors have been placed based on where they are headquartered, though geographical interests may be spread across several countries.



**Figure 35: Top funded female-led startups**



# **Contacts**

**Lelapa / Women in African Investments Group:**

<https://lelapa.co/>

<https://lelapa.co/women-in-african-investments/>

**Small Foundation:**

<https://smallfoundation.ie/>

**Briter Bridges:**

<https://briterbridges.com/>