



# 2024 BEYOND THE NOISE

A roadmap to addressing the gender funding gap in Africa's startup ecosystem.



Foreign, Commonwealth  
& Development Office



Open Impact



## Foreword

Over the better part of the last decade, I have had the opportunity to work at the forefront of addressing the gender funding gap in startup ecosystems in Africa. First as a startup advisor, then as an investor at Khula Lula, and more recently as the Director of the UK-South Africa Tech Hub.

I have seen first-hand what much of the research highlights - businesses with women-only founders are better bets for investors, generate higher revenues for businesses they start, and create more jobs, particularly for other women.

But getting funding to these women entrepreneurs has remained a major challenge. Change has been slow. In some instances, progress looks like it's reversing. While the share of the number of deals to startups with all-women founders has doubled over the last five years from 7% to nearly 15%, the share of total funding has actually more than halved from 6% to 2%. In my home country of South Africa, less than 1% of funding went to startups with women-only founders in 2023.

But there are also good stories. In Kenya, the gender funding gap is decreasing. In some markets, like Senegal, Tunisia and Zambia, the share of funding to startups with at least one women founder is actually higher than those without. There have been several mega-deals to startups with women founders or co-founders in Africa.

But why isn't more progress being made? Why has deal flow increased while the share of

funding has decreased? Why is the gap in Nigeria and South Africa persisting? What is Kenya getting right that other markets can learn from?

It was against this backdrop that the UK Government's International Tech Hubs Network (ITHN) in South Africa, Nigeria and Kenya partnered with Briter Bridges and V54 Open Impact, the non-profit arm of Ventures 54, to dive deeper into these gender dynamics.

The project had two aims. The first, generate and test new evidence with ecosystem stakeholders. The second, translate this evidence into an actionable roadmap that stakeholders like ourselves could do something about.

This report "***Beyond the Noise***" is an outcome of that project. It aims to make a small contribution to the efforts of many on the continent working to address the gender funding gap in Africa's startup ecosystem. Without them, this report and what it hopes to contribute to, would not be possible. I remain inspired by their commitment. After all, change is slow, until it happens.



**Milisa Mabeza**

Director, UK-SA Tech Hub

# Executive Summary

## South Africa

### Executive Summary

South Africa has a relatively high proportion of women-only founders, but the funding support needs to be bigger and more extensive. Women founders are more represented in edtech, health & biotech sectors, but there are few growing startups and not many players competing and advancing. The focus areas for growth are diversifying the players across more sectors and providing targeted support to connect grant funding to growth funding. Historical ethnic disparities in South Africa still affect the opportunities that black women founders can access and consequently their progression from early to growth stage funding. Targeted support interventions based on additional research and data are crucial for promoting equality for black founders.

### Key Findings

#### State of the Ecosystem

While a portion (12%) of founders are women, the funding gap is significant, as less than 0.5% of the total funding volume goes to women founders.

#### Funding Dynamics

Women founders' use of grant funding is much higher than male founders, however, grant funding does not lead to future funding due to the lack of support for future steps and because of negative connotations.

#### Role of ESOs

Earlier engagement with funders to better align and create targeted programmes that connect founders to funders.  
Backing the right teams rather than particular sectors.

### Roadmap

#### 1. Supporting commercialisation efforts

Commercialisation opportunities are concentrated in a few sectors so diversifying sectors that women founders operate in would enhance market access opportunities. If grant funding is available, align the reporting and narrative around grant funding for future growth funding. Additionally, the participation of black women founders remains more limited so an intersectional racial-gender lens will be important.

#### 2. Building authentic and intentional networks

South Africa's convening ecosystem could be more diverse both among founders and decision-makers. The ecosystem needs better racial inclusivity to help women founders with market access. South Africa's ecosystem was also more vocal about the need to diversify its decision-makers.

#### 3. Thought leadership on capital stack

The South African ecosystem has many public-private partnerships, signalling a potential capital stack leveraging those partners. Government SME funding is also available and there are ongoing conversations about the need to diversify fund managers.

#### 4. Gap Filling research and data

The South African ecosystem could benefit from additional layers of demographic information on ethnicity and on mixed-gender founder groups as this will enable more targeted & equitable support.

# THE DATA BEHIND AFRICA'S GENDER FUNDING GAP FOR STARTUPS IN SOUTH AFRICA

**\$2.7b+**

total volume of funding

**0.5%**

% share of funding by women-only startups

**530+**

total no. of deals

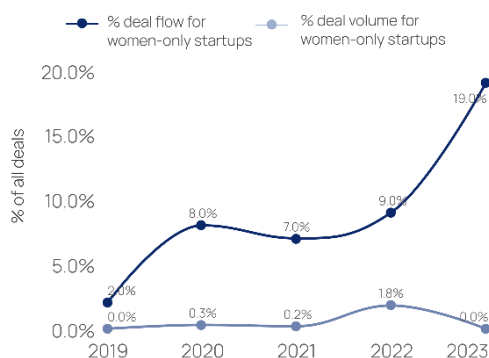
**10%**

% share of deals by women-only startups

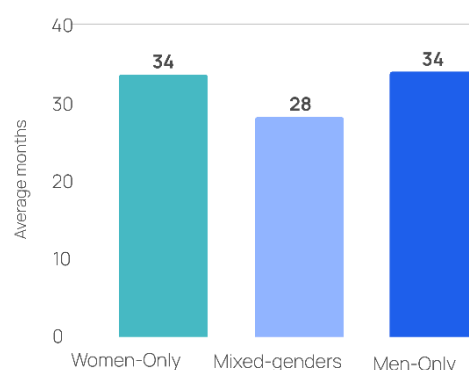


\* includes funding data between 2019-2023

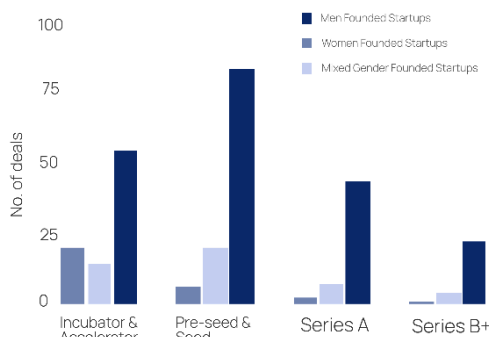
## 1 Women's share of deal flow and volume



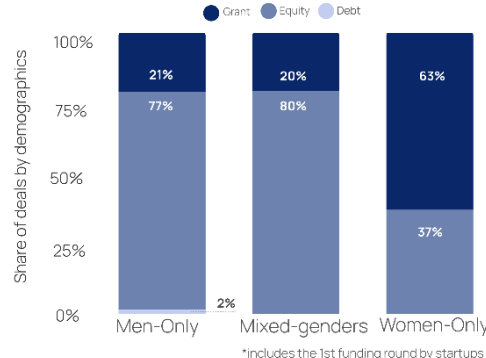
## 2 Time from founding to first funding



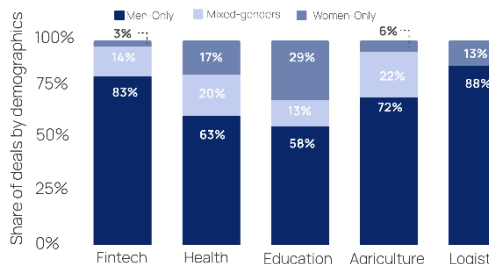
## 3 Gender gap by stage



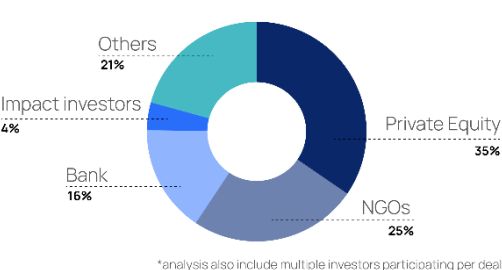
## 4 Gender gap by instrument



## 5 Gender gap by sectors



## 6 Share of deals by funder types



## Kenya

### Executive Summary

Kenya is a leading ecosystem for women-founded startups, driven by the growth of agtech and e-commerce sectors with a strong presence of women angels and global organisations supporting women founders at early stages. Nevertheless, further support to connect early-stage founders to an appropriate capital stack will require early alignment of grant or ESO support with the next funding need. As Kenya has more growth stage women founders, women-focused programmes should be more integrated with mixed-gender spaces to expose women founders to a broader set of growth opportunities, peers, markets, advisors, and funders.

### Key Findings

#### State of the Ecosystem

While leading among the three markets in terms of women founders' development journey, a roadblock in the Kenyan market is connecting women founders to the right growth paths.

#### Funding Dynamics

There is more diversification in sectors attracting commercial funding. However, there is still a disconnection between grant and post-grant equity funding due to the negative connotation of grants and the misalignment of support.

#### Role of ESOs

Longer term strategy and advisory into growth stages for women, by women. Curated connections for market access. Women-only spaces into existing mixed-gender programmes.

### Roadmap

#### 1. Supporting commercialisation efforts

Kenya is more advanced than the other markets but women founders still face difficulty accessing growth funding. To continue the growth, the ecosystem needs to integrate women-specific spaces into growth-oriented mixed-gender spaces. In addition, Kenya is ripe to experiment with innovative grant-to-growth funding instruments.

#### 2. Building authentic and intentional networks

Kenya has more convenings compared to other countries, therefore the convening approach needs to be targeted and thematic with special attention paid to inviting women into growth-oriented opportunities to help with market access. Make intentional matches between early-stage founders and growth-stage woman founders.

#### 3. Thought leadership on capital stack

The Kenyan ecosystem has many government and donor funding for startups but they need to be connected with growth capital. There are opportunities to test innovative grant funding mechanisms to contribute to investment readiness. Work with growth capital funders earlier on to design innovative instruments.

#### 4. Gap Filling research and data

The Kenyan ecosystem could benefit from additional metrics to assess the health of the ecosystem. The ecosystem also needs more information on the innovative funding instruments that have successfully connected grant funding to commercial funding.

# THE DATA BEHIND AFRICA'S GENDER FUNDING GAP FOR STARTUPS IN KENYA

**\$4.5b+**

total volume of funding

**12%**

% share of funding by women-only startups

**675+**

total no. of deals

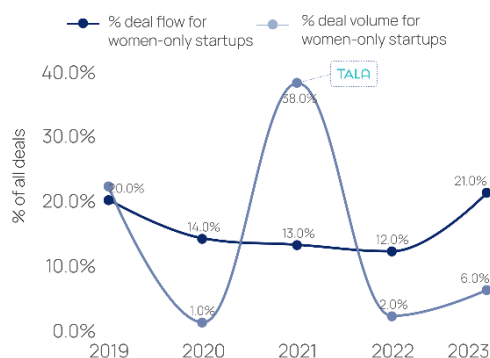
**15%**

% share of deals by women-only startups

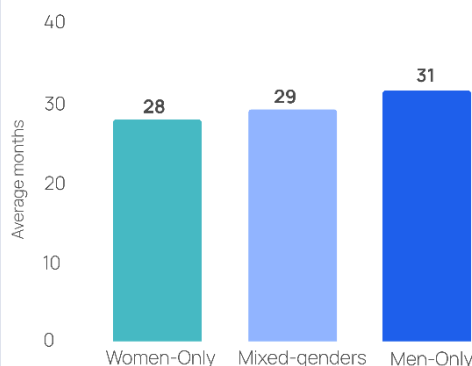


\* includes funding data between 2019-2023

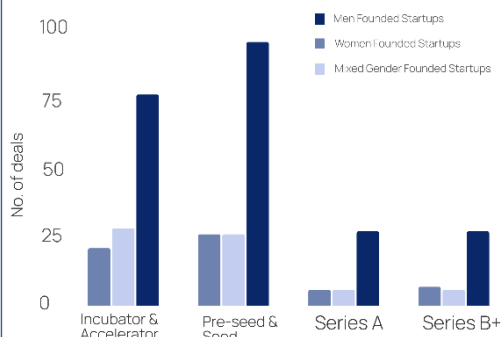
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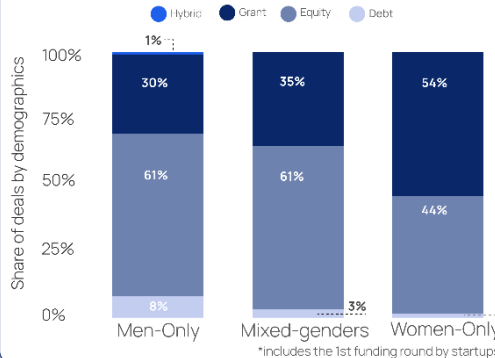
## 2 Time from founding to first funding



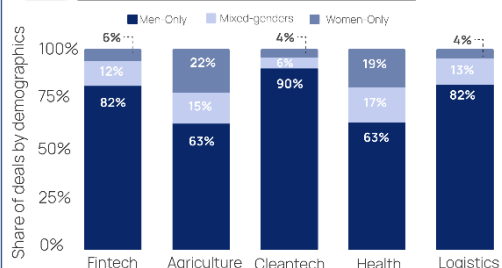
## 3 Gender gap by stage



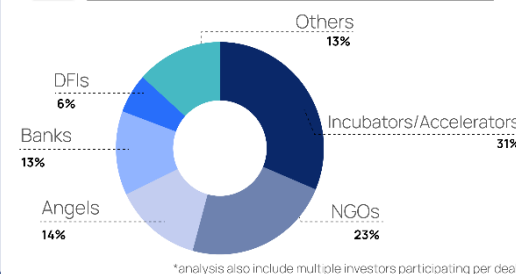
## 4 Gender gap by instruments



## 5 Gender gap by sectors



## 6 Share of deals by funder types



## Nigeria

### Executive Summary

Nigeria has the largest ecosystem, but the proportion of women founders and the deal sizes are small and concentrated in a few sectors like health & biotech. Commercial funding is limited in other sectors where women are present (i.e. education & e-commerce). Women founders are limited at an early stage with limited access to growth funding. Targeted recruitment of women founders into programmes that enable early-stage market connections would be important to bridge women founders to growth opportunities. Marketing success cases of successful women founders, especially those who have received grant funding and have the potential to grow commercially, to funders could benefit ecosystem growth.

### Key Findings

#### State of the Ecosystem

Nigeria, overall, has a large market, but women founders are small in proportion and concentrated in a few sectors that need access to growth-stage funding.

#### Funding Dynamics

Nigeria is very limited in early-stage funding in a few sectors. The market sees a large drop off after grant funding at a programme level due to the negative connotation of grants and the misalignment of support.

#### Role of ESOs

ESOs need to provide targeted market access for women founders to funders. Grant funding needs to be re-utilised to help women access growth funding. Support founding teams with success potential regardless of sectors

### Roadmap

#### 1. Supporting commercialisation efforts

Nigeria's women entrepreneurs are concentrated in the early stages and much less funded. More intentional work needs to be done by Nigerian ecosystem builders to help women entrepreneurs at an early stage and create intentional connections with commercialisation opportunities. More marketing around successful women-founded startups can help.

#### 2. Building authentic and intentional networks

Although Nigeria has a lot of convenings, the convening spaces often happen in private and are unwelcoming for women, triggering women to choose sectors/products that are easier to access. Create more curated founder-to-funder matching events and make targeted founder-to-advisor introductions.

#### 3. Thought leadership on capital stack

The Nigerian investment landscape only recently started to formalise with government support. For VCs to be more confident in taking new risks, a concerted effort in identifying and fine-tuning narratives about SMEs could help VCs find the right opportunities in the diverse market.

#### 4. Gap Filling research and data

The Nigerian ecosystem could benefit from digging deeper into why women founders remain at a very early stage without extensive commercial funding. This could be done by collecting deeper data on the team composition (single vs multiple founders) and the gender of the funders.



# THE DATA BEHIND AFRICA'S GENDER FUNDING GAP FOR STARTUPS IN NIGERIA

**\$5.3b+**

total volume of funding

**1%**

% share of funding by women-only startups

**930+**

total no. of deals

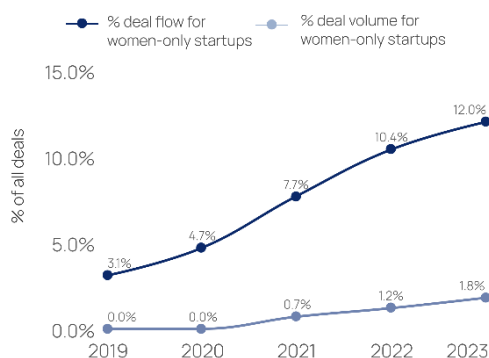
**9%**

% share of deals by women-only startups

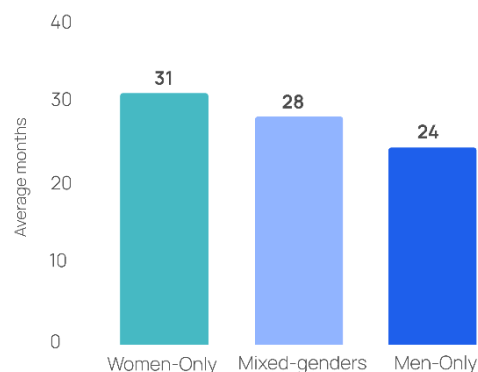


\* includes funding data between 2019-2023

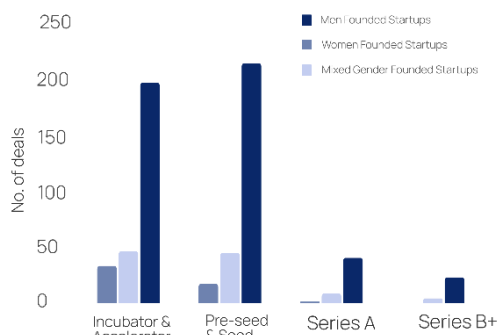
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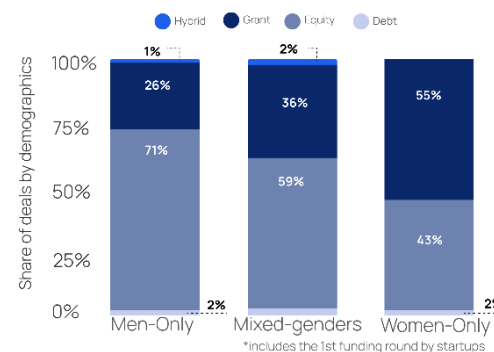
## 2 Time from founding to first funding



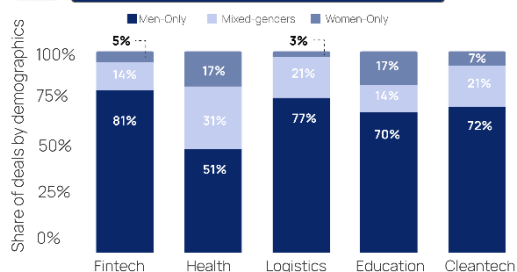
## 3 Gender gap by stage



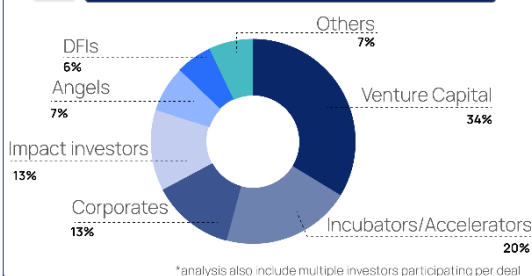
## 4 Gender gap by instruments



## 5 Gender gap by top sectors



## 6 Share of deals by funder types





## Acknowledgements

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## Authors

This research was jointly developed by V54 Open Impact, the nonprofit arm of **Ventures 54**, and **Briter Bridges**. The co-authors of this report are Hangyul Lee-Song (Briter Bridges), Precious Oyelade (V54 Open Impact), Thuli Montana (Briter Bridges), Anthony William Catt (V54 Open Impact), Temitayo Ipinlaiye (Briter Bridges), David Saunders (Briter Bridges), and Lisa With (Briter Bridges). Ventures 54 is a company mobilising building and strengthening international investment corridors between Africa's tech, startup and investor ecosystems and the rest of the world. Briter Bridges is a market intelligence and research company providing data analytics and advisory on underserved African markets.

## Contributors



## Introduction

Startups with women founders are a driving force behind innovation and inclusive growth in Africa. Research shows that they are better bets for investors, generate higher revenues for the businesses they start, start businesses in high impact sectors like health and education and create more jobs, particularly for other women. However, women founders face significant challenges in raising capital for their businesses. Startups with women founders accounted for less than 5% of venture capital funding in Africa since 2014. Further, despite significant efforts from governments and donors to reduce the gender gap in access to funding, the share of funding to startups with women founders actually decreased in 2023.

However, digging deeper reveals a more complex story. While the share of funding has decreased, the share of the number of deals for startups with women founders has actually increased. Further, some markets have actually made progress against the funding gap. For example, the share of funding to women founders in Kenya exceeded 10% in 2023. But in other markets, the gap has stubbornly persisted. For example, the share of the volume of funding to startups with all women founders fell to 1% in Nigeria and less than 1% in South Africa in 2023.

It was against this backdrop that Briter Bridges and V54 Open Impact, the non-profit arm of Ventures 54, partnered with the UK Government's International Tech Hubs Network (ITHN) in South Africa, Nigeria and Kenya to dive deeper into the gender dynamics in these startup ecosystems. The project aimed to generate and test new evidence to what drives the gender gap in access to funding for startups in Africa and what can be done to move beyond talking about the gender gap to acting on it.

This study provides evidence on the socio-economic and financial impact of

investing in startups with women founders in Africa, best practices for supporting them, and identifies opportunities for the ecosystem support actors (ESOs) in Kenya, Nigeria and South Africa to address gaps and opportunities to increase funding to these women entrepreneurs in their respective markets.

This report is the final output from the project and is a practical roadmap for ESOs that consolidates the data gathered from desktop research on investment in women entrepreneurs, stakeholder interviews, and validation workshops with leading investors, founders and ESOs held in South Africa, Kenya and Nigeria. The report is structured as followed:

- **Section 1** summarises the key findings from the research
- **Section 2** presents the roadmap recommendations for ESOs.
- **Section 3** introduces next steps for ESOs and the broader ecosystem stakeholders.

## Methodology

This project took stock of the existing literature around the business case for investment in women entrepreneurs, and the barriers and opportunities that exist within African markets. The stakeholder engagements consisted of twenty interviews with investors, founders and ESOs in the three target geographies, engaging with a mix of gender lens experts and gender-conscious actors within the ecosystem. These were carried out through a combination of virtual stakeholder interviews and in-person sit-downs in and around the African Venture Capital Association (AVCA) Annual Conference in Johannesburg. These engagements revealed that the majority of present evidence on the gender gap is either at too high a level (i.e. aggregate deal flow data) or too anecdotal (i.e. specific case studies), making it hard to programme or design interventions that help women entrepreneurs.

Therefore, in addition to the stakeholder engagements, this research utilised Briter Intelligence funding data from 2019-2023 and analysed the difference in funding among teams with women-only founders, men-only founders, and mixed-gender founders across 40+ sectors in Africa.





This produced two evidence-generation presentations that synthesised the findings from the data to understand what the state of the ecosystem looks like and the stakeholder engagements interrogating why we see the trends in the data. Below are the links to the evidence generation presentations:

1. [Evidence Generation Part 1](#): The state of the ecosystem for women entrepreneurs in SSA
2. [Evidence Generation Part 2](#): Deep-dive on support trends for women entrepreneurs in South Africa, Kenya and Nigeria.

In addition, the research team engaged an advisory group to test and affirm the evidence and hypothesis tested during the evidence generation phase. The findings from these engagements were used to shape a validation workshop structure. Three validation workshops were held involving diverse stakeholders in the innovation ecosystem. The workshop discussions validated and challenged the findings and provided a more contextual understanding of the evidence on gender gap dynamics. The workshop discussions were held in Johannesburg, Nairobi, and Lagos. The full list of participants can be found in **Annex A**.

# Key Findings

## State of the Ecosystem

State of the Ecosystem I Funded startups w/ women-only founders			
	NO. OF STARTUPS	NO. OF DEALS	TOTAL DEAL VOLUME
 FOCUS COUNTRIES	176 (13%)	243 (11%)	\$600M+ (5%)
 SOUTH AFRICA	45 (12%)	53 (10%)	\$12M+ (0.5%)
 KENYA	72 (19%)	105 (15%)	\$550M+ (12%)
 NIGERIA	59 (10%)	85 (9%)	\$40M+ (0.7%)

\*Based on Briter Bridges funding data from 2019 - 2023 from the 3 countries. The percentage represents the portion of the total.

**Startups with women founders account for a small proportion of deals and an even smaller proportion of funding volumes.** Across all three markets, women founders account for up to 11% of deals, but only 5% of the volume of funding since 2019. Mixed-gender teams take up 16% of the number of funding rounds and 12% of the total volume of funding. Women founders are proportionally underrepresented in high-growth sectors such as fintech and climate tech but well represented in slower-growth sectors such as agtech, healthtech, and edtech that attract less commercial capital. The low share of funding volume is likely more representative of the sectors that women founders are active in rather than the growth potential of the startups themselves.

Kenya has seen a rise in commercial funding in agtech and healthtech sectors and a subsequent reduction in the gender funding gap in those sectors. This demonstrates that an increase in investor appetite in untapped sectors where women founders are concentrated can bring more funding to the sector at large and organically narrow down the gender funding gap. Compared to Kenya, South

Africa and Nigeria still see a larger drop off in funding to women after incubators and accelerators.

In South Africa, women-only founders make up 9% of deal flow but less than 1% of total deal volume as most women founders do not raise commercial funding after the incubator and accelerator stage. Mixed-gender teams raise in a similar pattern as men-only teams. Women-only teams that raise proportionately more than men are in education and health & biotech.

Nigeria's women entrepreneurs display a stronger presence in fundraising for healthtech, e-commerce, and edtech. While mixed-gender teams in Nigeria follow a similar funding trajectory as men, women-only startups tend to be concentrated at the incubator and accelerator stage, mirroring the drop-off in funding at pre-seed and seed funding.

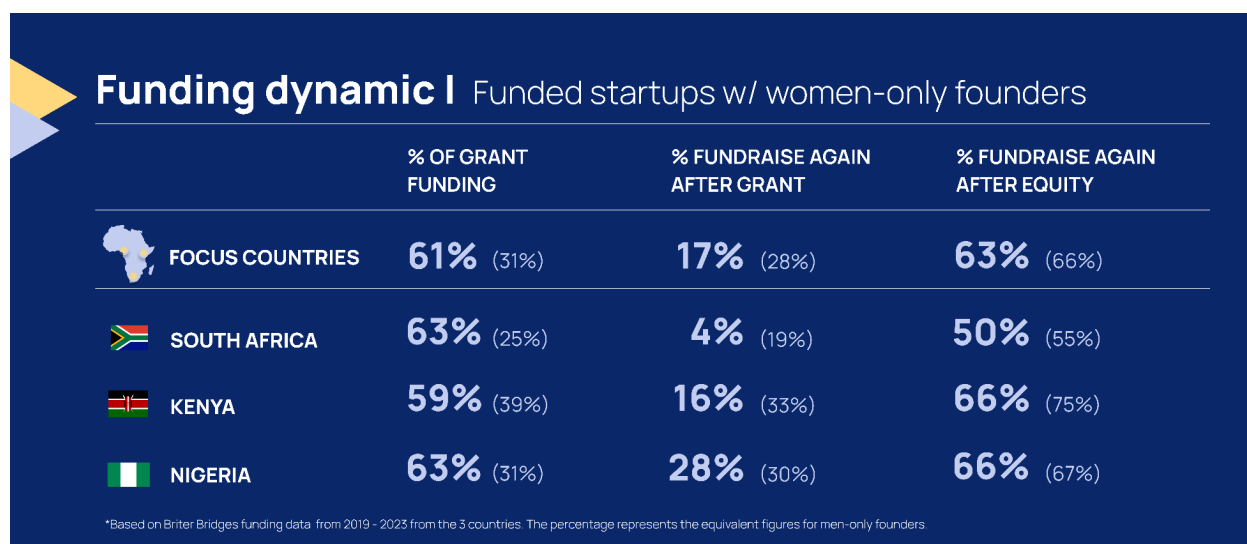
**Deals to startups with women founders are more concentrated at the early stage than men even though the age of the startups are similar across gender groups.** The average age of women-founded startups is 6.3 years

compared to 6.9 years for men-founded startups but during this time, women founders on average raise one less round than men founders. This leads to over half of the funding rounds for women founders to be at the incubator and accelerator stage compared to one-third for men. The difference begins to show more in the post-accelerator and incubator stages where only 35% of women-founded startups get funded in the pre-seed/seed stage compared to 44% of men-founded startups.

Our roundtable participants were unwavering in feeding back that the lack of parity in funding rounds was a problem in the ecosystem rather

than a preference. Founder insights focused on how less funding impacts immediate business feasibility and growth potential. Women founders are still expected to present growth metrics that outpace their competitors, which presents a large challenge as they compete with less capital access. Founders voiced that the lack of access to capital is also prevalent even when raising smaller ticket sizes or grants where women are over-represented. Investors were also adamant that the better capitalised a business is, the more they can assess what the founders are capable of achieving from making smart commercial decisions, to attracting the best talent.

## Funding Dynamics



**Grant funding has been the major driver of the increase in deal flow to startups with women founders.** Across three markets, 61% of funding raised by women-only teams are grants compared to 31% and 43% in men-only and mixed-gender teams. The number of women-only startups receiving grant funding has nearly tripled over the last three years, while equity deals have remained the same<sup>1</sup>. This increase in grant funding does not seem to be correlated with new entrants in the market, as the number of startups with women-only

founders has decreased year on year over the same period<sup>2</sup>. The number of newly founded women-only startups has also decreased, meaning that the additional grant funding is not necessarily used to fund new women-only startups. The same women-only startups may be relying on grant funding over and over again, without accessing new equity funding.

**There has been a limited increase in commercial funding for startups with women founders.** The rapid growth in grants has done

<sup>1</sup> Slide 16 of [Evidence Generation Part 2](#)

<sup>2</sup> Slide 16 of [Evidence Generation Part 2](#)

little to attract commercial capital into these sectors where more women-only startups are. Women are less likely to fundraise after grant funding (17%) than men (28%), and the women who raise additional rounds are more likely to receive another grant funding (55%) compared to men (40%)<sup>3</sup> who instead raise equity or debt after the initial grant funding. On the other hand, there is not as much of a gap between the two genders for the founders who raised an equity round as the first round and went on to fundraise again. 63% of women founders that raised an equity round as the first round fundraised again and 67% of men founders did as well. Commercial funders often look negatively at women founders who receive grant funding, reducing women's likelihood of raising additional funding.

The roundtable engagements highlighted that while male-led teams customise their business stories to gain access to grant funding for specific R&D and de-risking purposes for specific experiments, women founders are more likely to orient their business models to the impact focus of each grant and use this funding as a runway. Moreover, anecdotal evidence revealed that men-led teams are less likely to share much publicly about their grant funding, whereas securing funding rounds or equity-based programmes was much more publicised.

In addition, there is a perception bias among investors that startups in women-only programmes are less meritocratically selected than startups in mixed-gender programmes. These biases limit women founders in the early stages and grant funding more than it would for men founders who may utilise similar resources as women at the early stages.

### **The reliance on grant funding and lack of commercial funding shape the type of support startups with women founders receive.**

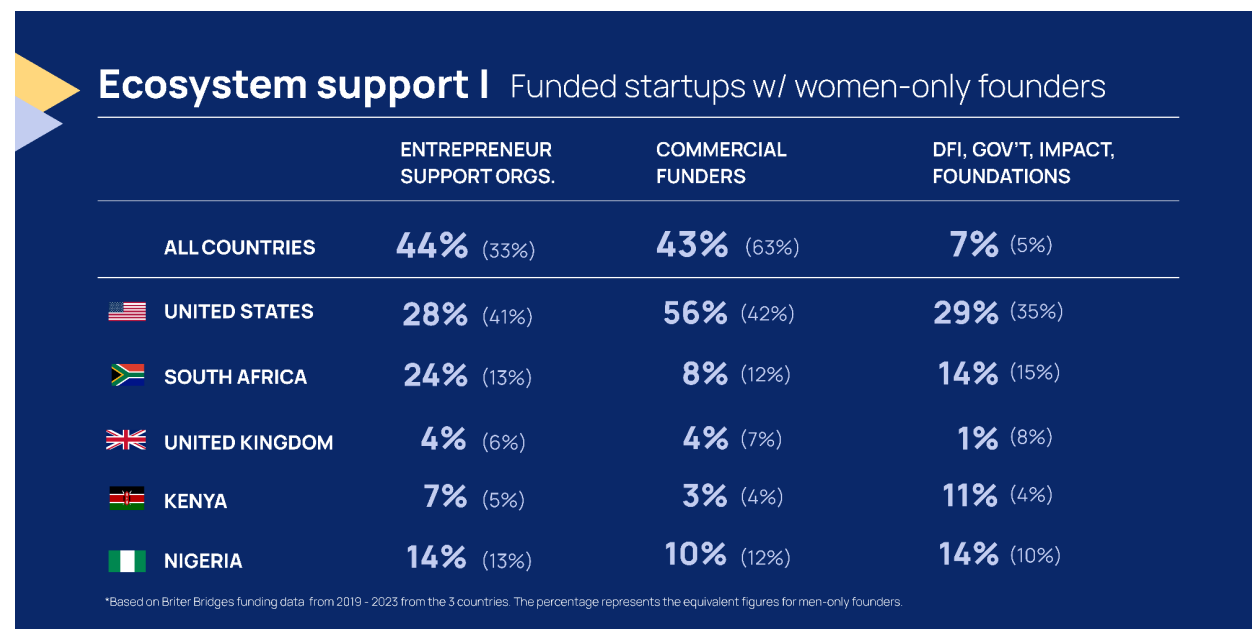
Commercial funding usually comes with better access to the market, investor networks and introduction to ecosystem stakeholders to help achieve growth. This contrasts with grants, which are typically one-off funding rounds that do not have a structural incentive to provide the necessary market access that companies need after the grant funding. Instead, most grant recipients are required to generate reporting for donors that are not aligned with what commercial funders look for. Workshop attendants highlighted that grant reporting requirements can be highly cumbersome and can divert resources that startups need to grow.

The burden laid on teams raising grants is also likely to impact the way they approach running their business. As grant funding in the early stages is delivered in smaller cheque sizes and is often not tied to commercial outcomes, this may lead those who rely on them to focus on capital efficiency over commercial prowess. Where grant funding has become a much higher concentration of the initial funding into women-led startups, this can change the perception of women's capital efficiency setting them up for success in the VC landscape.

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<sup>3</sup> Slide 18 in [Evidence Generation Part 2](#)

## The Role of the Ecosystem Support Actors



**Initiatives focusing on women founders only are necessary, but not sufficient.** Women founders report that women-only or women-focused programmes provide a safe environment for women founders to learn from one another and to provide a springboard, but they often lack the depth of mixed-gender programmes and can reinforce biases and perceptions about investing in women founders. Founders across the three markets analysed shared that women-focused programmes varied in effectiveness regarding preparation for accessing experienced mentors, gaining market access and introductions to attract additional funding. Instead, founders reported that programmes with a sector focus and associated experts were much more valuable than generalised women-focused programmes.

Founders attending the workshop reported that they preferred to be in mixed-gender spaces as they grow since they can get more diversified feedback and learning opportunities at larger, mixed-gender programmes. However, they still mentioned

that women-specific spaces could be integrated into the broader ecosystem to ensure safe spaces for women. In addition, stakeholders mentioned that integrating women-focused spaces into mixed group programmes can help remove the risk of women being subjected to the bias that considers women-only programmes as less competitive.

**Increasing representation of women in the support and funding ecosystem is key to increasing the share of funding and support to startups with women founders.** Activating and growing women entrepreneurs could go hand in hand with activating the representation of women in technical assistance and funding. The ecosystem needs more women mentors, more women fund managers, and more women ecosystem actors to see a rise in women entrepreneurs in the space.

The ecosystem support actors acknowledged that while there is a proliferation of programmes targeting women entrepreneurs,



those programmes do not provide a robust amount of support that also results in continued relationship building and deeper access into the broader VC ecosystem. In addition to that, women-focused programmes often lack women mentors and support actors. An angel investor and ESO leader from South Africa stressed that *“support programmes need more gender diversity from speakers to experts as it is possible to find a woman expert where men experts exist.”* and that she experiences frustration in *“being on programmes where she is the only woman or one of two women mentors.”*

Women's representation could be better aligned on the supply side. Women founders from the Kenya roundtable reported working more closely with women fund managers than men, so women fund managers could be more visible in ESO and networking spaces. In addition, investor initiatives could be plugged into ESOs to help ESOs create the most relevant programmes for women entrepreneurs.

**More attention needs to be given to the success stories of startups with women founders.** The impact of gender in the entrepreneur support landscape is still nascent. Evidence is often anecdotal and the available data is limited to advise on support programme designs in the longer term. Ecosystem support stakeholders can play an important role in collecting success stories and gender-aggregated data from investors and entrepreneurs. These stories should be publicised and shown to the targeted groups to improve the perception of women founders.

Ecosystem participants expressed that the data analysis in the report helped validate market trends and bring new interesting findings, especially on the support types and stages by gender. Upon seeing the analysis, stakeholders at the workshops suggested additional gendered data collection and analysis of the firm performance, solo vs multiple founding teams, and funding journey for mixed-gender teams. Sharing more insights using high-quality data on gender could debunk biases and highlight what works well for women founders.

# Roadmap Recommendations for Ecosystem Support Organisations and Hubs

## Recommendation 1: Support the commercialisation efforts for early-stage women founders

Priority Area	
South Africa	Incubation and acceleration pipeline, with racial awareness
Kenya	Market linkages for companies ripe for growth
Nigeria	Incubation and acceleration pipeline with network access support
Summary	
South Africa	While South African women founders are growing in particular sectors like biotech, edtech and femtech, the numbers are still very small and the participation of black women founders remains limited. In South Africa, empowering women founders also needs to take on an intersectional racial-gender lens.
Kenya	Kenya is more advanced than the other markets. To continue the growth, the ecosystem needs to integrate women-specific spaces into growth-oriented mixed-gender spaces. In addition, Kenya is ripe to experiment with innovative grant-to-growth funding instruments.
Nigeria	Incubation and acceleration pipeline with network access support Nigeria's women entrepreneurs are concentrated in the early stages and much less funded. Nigerian ecosystem builders are positioned to connect early-stage women entrepreneurs to prepare early and find commercialisation opportunities.

### 1.1 Recruit more commercially viable and VC-suitable startups for ecosystem support programmes hosted by ESOs.

The three main goals of an ecosystem support programme include (1) producing VC-suitable startups<sup>4</sup>, (2) offering a stamp of validation in the business development process for early-stage innovators, and (3) showing the pathways for startups better suited outside of the VC space to grow in different ways. Most early-stage founders lack comprehensive knowledge about ecosystems when they start, so they enter incubators and accelerator programmes to learn. To increase the composition of their cohorts toward

VC-suitable and commercially viable startups, ESOs could target the startups showing commercialisation potential during the recruitment and application processes. Once the startups are in the programme, ESOs should expose these founders to as many ecosystem opportunities as possible and help them learn the most suitable pathways to grow their businesses.

This does not suggest that ESOs exclude women entrepreneurs who are tackling high-impact but lower commercial viability. But if the programme is to include those entrepreneurs along with more commercially viable startups, ESOs should prepare additional coaching that centres around value proposition and business sustainability. ESOs should connect more impact-oriented

<sup>4</sup> VC- suitable startups are those defined as having revenue/traction in high growth and/or high impact sectors

entrepreneurs with funding sources such as grant funding and impact investors who can support the entrepreneurs after the programme.

**1.2. Prioritise gender inclusivity within programmes over the development of new women-exclusive programmes.** Women-only spaces are important for creating safe spaces where women can learn from one another. However, the support systems focused on growing women entrepreneurs should be integrated into mixed-gender spaces. Integration helps create more exposure to other founders, awareness of emerging sector trends and building wider networks. From the workshops conducted, there were also reports of “gender fatigue” among ecosystem stakeholders, where they did not feel that spaces exclusively centred on entrepreneurs and the viability and growth of their businesses, but rather felt like the organisers were ticking their gender inclusivity requirement.

**1.3. Embedding women into programmes requires committed and conscious efforts.** There are social and gender factors that may prevent women founders from joining mixed-gender programmes. Interview and workshop engagements revealed that women tend to apply more to women-only programmes compared to mixed-gender programmes and that attracting women into mixed-gender spaces requires conscious efforts to create safe spaces for women entrepreneurs. The language during the recruitment process should explicitly encourage women founders to apply. The programme timing could better accommodate women founders who may have child-caring duties, and incorporating low to no-alcohol environments could be a few ways to diversify and improve existing programmes. ESOs and hubs should experiment with different components to see what works best for women entrepreneurs across different markets. In addition, ESOs could expand the capacity of existing programmes to create women-led forums, recruit more women mentors, and bring

experts for sectors popular among women entrepreneurs.

**1.4. Support teams with the right ingredients rather than sectors with high participation by women founders.** Women founders reported experiencing biases about the sectors women founders can or should participate in. This sentiment was reinforced when a woman Insuretech founder said that investors “looked at [her] like she shouldn’t be there” as if she belonged more in edtech or agritech. Focusing on sectors to grow women-founded startups can misdirect resources as these sectors have become women founders’ preferences due to problems accessing other sectors. Instead, programmes could assess whether the founding team has the right ingredients such as viable and stable business models, showing revenue potential, and building a strong and experienced founding team. This assessment could be prioritised more than assessing the founder’s potential sector fit. Once those high-potential teams are identified, programmes and subsequent alumni engagements could expose them to the right investors and create market access opportunities with players who can and are incentivised to accelerate their growth.

**1.5. For VC-suitable startups, grant funding should align with how the company can grow**

**commercially.** While grants are well-intentioned and are helpful for early-stage startups, the current structure of grant funding limits VC-suitable women-led startups from accessing those funds. Evolving grant funding instruments to enhance the growth of women-founded businesses can optimise how grant funding is allocated and used. The transition from grant to commercial funding should be factored in,

combined and planned at the early stages of a founder's journey. One practical way to drive this is to align the reporting structure for grant funding to VC reporting structures - which ensures more rigorous commercial growth aspects. Grant structures should incentivise startups that obtain additional funding using the grant. This can be done by including the grant as a part of a fundraising round or using the grants to match funding for other rounds.

## Recommendation 2: Play a key role in building authentic and intentional networks

Priority Area	
South Africa	Diversify
Kenya	Specialise
Nigeria	Increase market access
Summary	
South Africa	South Africa's convening ecosystem could be more diverse both among founders and decision-makers. The ecosystem needs better racial inclusivity to help women founders with market access. South Africa's ecosystem was also more vocal about the need to diversify its decision-makers.
Kenya	Kenya has more convenings compared to other countries, but the convening approach needs to be targeted and thematic with special attention paid to inviting women into spaces to help with market access.
Nigeria	Although Nigeria has a lot of convenings, the convening spaces often happen in private and are less welcoming for women, triggering women to choose sectors and products that are easier to access.

**2.1 Play an active connecting role in the fragmented ecosystem.** The ecosystem supporting gender-lens investing is fragmented and needs a network connector to make it more cohesive. Stakeholders from the impact and developmental spaces need to be in conversations with commercial funders. Stakeholders with a defined gender focus should be connected with stakeholders who have yet to adopt a gender lens to share best practices. ESOs can play an active role in connecting these stakeholders through mutual

interests and objectives. The below section suggests some concrete ways for ESOs and hubs to become more effective connectors in the ecosystem. **Annex B** presents a starting point for building a network of relevant stakeholders by key engagement types.

**2.2. Build and foster deep relationships with stakeholders.** Building trust-based relationships with stakeholders is one of the key components of creating intentional networks that can yield impact and success

for women founders. ESOs should conduct scoping meetings with stakeholders to better understand their intentions and perspectives on working with women founders as they can vary from generating returns, growing in specific industries, and accessing women's ecosystems. Understanding this can help create high-value ecosystem events that cater to existing interest groups. This relationship could be assessed frequently to keep an up-to-date understanding of stakeholders and to vet out the accountable stakeholders from unaccountable ones. This will help maintain the quality of engagements for both startups and investors.

**2.3. Create topical and relevant ecosystem convenings.** The first impression can be the last if the quality of the spaces does not serve a common purpose for the invited stakeholders. Ecosystem events by ESOs should cater to the interests of the founders and ecosystem actors and ultimately play a matchmaking role that connects stakeholders that otherwise would not have met. Assess the relationships built with stakeholders to understand the need for convening in the ecosystem, whether that be in particular sectors, funding stages, or a general introduction to founders/other funders. Practically, ESOs may not be able to serve as a direct facilitator and relationship owners for all events. So continue working with conveners and connectors who are embedded in the ecosystem and have expertise and a respected reputation in focus areas that fit with each ESO's strategic topics.

**2.4. Ensure that event invitations are thematic, targeted, and diverse.**

- **Thematic:** Invite the right types of stakeholders that suit the theme of the event. The broad categories of stakeholders are government, support organisations, funders, and innovators. Each event likely benefits from a slightly different composition of those stakeholders' categories. For example,

market access events should include selected innovators, funders, and ESOs, while research programmes should consist of government, support organisations, funders and innovators.

- **Targeted:** Once the category of attendants is chosen, carefully select the right person within those categories to invite. The person's operational capacity should match the objective of the event and complement other attendants in the event. This reinforces the importance of building in-depth relationships with stakeholders and partnering with the right market connectors who have this level of understanding about the ecosystem actors.
- **Diverse:** Diversity of attendees is important to maintain a balance of perspective and to bring new ideas for the events. This can be achieved through inviting new organisations and personnel. In addition, being conscious of who is not represented at these events and trying to bring those underrepresented groups into the events. By diversifying the attendants, ESOs can provide more curated opportunities for new stakeholders to meet based on shared interests and objectives.

**2.5. Leverage market makers to create market access at the founder level.**

Many existing networking events do not create market access that involves founders, especially women founders. This results in missed opportunities for founders to connect to the right value chain actors who can enable growth. To create better market access for women, ESOs can invest in getting the market makers in the room. Market

makers <sup>5</sup> are influential individuals known for their deep understanding of ecosystems and the diverse stakeholders within them. Additionally, they play a crucial role in facilitating connections across various stakeholder groups. In gender-conscious programming, ESOs could find women-led or gender-inclusive market makers who can spearhead inclusive convening efforts.

## **2.6. The secretarial role is important in creating connections among stakeholders.**

Once the right people are invited, the room needs to foster a founder-to-funder connection, and a funder and ecosystem connection. There will be a very intentional role in aligning the people in the room and their values and stimulating the right conversation. Become the secretariat for the entire group, by keeping people accountable, connecting individuals before the event, and ensuring follow-ups between stakeholders happen where appropriate. It's a high cost for founders, funders, and organisers to be in these networking spaces and despite best efforts, it can be hard to fully engage before, during and following the events. So this role reduces barriers to bringing the right stakeholders together and helps them reach outcomes more efficiently.

## **2.7. The environment for convenings could be more inclusive.**

Similar to how programmes should tailor the language and format to provide a safer and more inclusive environment for women participants, events also should consciously accommodate more women participants. ESOs and partner conveners should experiment with the considerations

below to create an inclusive and encouraging environment for all participants.

- Embed gendered events into mixed-gender environments
- Select participants with a track record working with women founders or gender-inclusive initiatives
- Personalise invitations and include explicit encouragement for women participants
- Test different event timing to avoid school time or avoid very late evening engagements
- Hold events with no to low alcohol
- Gather feedback from participants.

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<sup>5</sup> The symptom of the current market is that we are seeing more men market makers than women. This means that ESOs will likely need to spend more time and resources to find women market makers. But the people who are able to convene should be in blended settings (i.e., it should not all be women) so that we are able to bring a diverse group of people in the room.

## Recommendation 3: Lead the thought leadership on the capital stack

Priority Area	
South Africa	Increasing collaboration between private and public institutions in the country
Kenya	Better connection between grant to commercial funding
Nigeria	Need for more structured support for investors
Summary	
South Africa	The South African ecosystem has many public-private partnerships, signalling a potential capital stack leveraging those partners. Government SME funding is also available. It is also having more conversations about the need to diversify fund managers.
Kenya	The Kenyan ecosystem has many government and donor funding for startups but they need to be connected with growth capital. There are opportunities to test innovative grant funding mechanisms to contribute to investment readiness.
Nigeria	The Nigerian investment landscape only recently started to formalise with government support. For VCs to be more confident in taking new risks, a concerted effort in identifying and fine-tuning the narrative for SMEs that could attract VCs could help VCs find the right opportunities in the diverse market.

**3.1. Take stocks and generate guidance on innovative financing solutions for women-only startup founders.** The study found that women struggle to raise as frequently as much money as men. They particularly struggle to raise between funding rounds which often forces many to shut down or go back to relying on grants. There is a need to better understand this fundraising journey and what type of innovative financing instruments can help them along it. Early-stage investors are already experimenting. For example, testing bridge loans specifically for startups with women founders who are taking longer to raise between rounds. Angel networks, the most active commercial investors in women-only startups, are partnering with DFIs and financial institutions to deploy more capital and do more deals. More is needed to take stock of these emerging solutions, what is working and how they can be scaled up.

**3.2. Set up local currency funders to reduce the exposure of investors and founders.** Most companies take out loans in dollars but the currency devaluation across Africa has made it unrealistic for companies to pay back their loan even if they are growing. Leverage ESO's position to partner with local banks that can provide local currency financing to derisk currency valuation for companies.

**3.3. Enable more diverse fund managers.** More LPs should put money into fund managers with different backgrounds, market experience, and thematic focus. This may mean encouraging connections between fund managers with less experience or in under-represented fields and potential LPs. ESOs could play a derisking and bridging role to the emerging fund managers. Representation in fund managers can impact the representation of companies funded through the fund. This example is shown in Kenya where angel investors, many of them women, are very active investors for women.



## Recommendation 4: Fill the gap in research and data on the gendered ecosystem landscape

Priority Area	
South Africa	Ethnicity data, further analysis of mixed-gender and mixed-ethnicity teams
Kenya	Data on innovative funding instruments, showcase more on successful startup performance
Nigeria	Solo vs multiple founders, fund manager gender data
Summary	
South Africa	The South African ecosystem could benefit from additional layers of demographic information on ethnicity and on mixed-gender founder groups as this will enable more targeted & equitable support.
Kenya	The Kenyan ecosystem could benefit from additional metrics to assess the health of the ecosystem. The ecosystem also needs more information on the innovative funding instruments that have successfully connected grant funding to commercial funding.
Nigeria	The Nigerian ecosystem could benefit from digging deeper into why women founders remain in the early stage and without much commercial funding. This could be done by deeper data collection on the team composition (single vs multiple founders) and on the gender of the funders.

**4.1. More case studies and stories of successful women founder startups.** While it is important to share the barriers that woman founders experience, the ecosystem also needs to see that there are opportunities and excitement in the space. ESOs should leverage their visibility in the ecosystem to highlight the positive stories and case studies on women founders and their startups that have raised, scaled, and produced returns. ESOs should share the successful case studies with the right decision-makers in their curated events. For example, put VC-suitable businesses in front of VC investors and successful women startups that have scaled through debt financing to commercial lenders. Doing so will help change the narrative around women founders over time.

**4.2. Measurement of business sustainability is key in highlighting the success of women founders.** Success measurement should centre around business sustainability and performance rather than their financing size. Over-emphasis on large ticket sizes and the biggest players as success measurements penalises women entrepreneurs who usually raise less but often run sustainable businesses. While large ticket sizes may serve as important valuation data for the VC industry, there are other important information on capital efficiency and business sustainability that are better measurements for other funders. Measuring ecosystem development through sustainable and revenue-driven company performance is a more accurate approach to assessing the health of the innovation ecosystem. This will also bring out

more inclusive success stories that can help women and men entrepreneurs.

#### **4.3. More data to derisk and debunk biases.**

Workshop participants and expert advisors have shared that additional analysis can continue to derisk and debunk perceptions that prevent women from fully reaching their potential in the ecosystem. The following are some additional data metrics that stakeholders advised as helpful to have:

- The proportion of startups that receive funding by gender groups<sup>6</sup>
- Founding team size composition: single vs multiple founder teams
- Startup performance by gender groups
- Gender of fund managers or decision makers on the funding side
- Better understanding of mixed-gender teams, especially whether women co-founders join in at a certain stage
- Different forms of innovative grant funding instruments

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<sup>6</sup> As this research specifically looks at funded companies so we cannot assess how many women founded startups do not get to the first round of funding compared to men counterparts.

## Way forward

In conclusion, ESOs should prioritise targeting early-stage, commercially viable, and VC-suitable startups while ensuring gender inclusivity. To achieve this, the recruitment and application processes for founder programmes can be refined to attract startups with high potential and align grant funding structures with commercial growth goals. Moreover, integrating support systems for women entrepreneurs into mixed-gender environments rather than creating exclusive women-only programs can enhance exposure, networking opportunities, and sector diversity. This approach will address gender-fatigue issues and ensure the viability and growth of women-led businesses. Embedding women in these programmes requires conscious efforts, such as accommodating child-caring duties, creating culturally suitable spaces, and leveraging diverse and inclusive event formats.

Furthermore, ESOs can enhance market access and capital opportunities for women founders by building intentional networks and leveraging market makers. This involves creating high-value ecosystem events, building trust-based relationships with stakeholders, and tailoring event invitations to ensure the right mix of participants. Encouraging diverse LP investments in emerging fund managers and highlighting positive case studies of women entrepreneurs will help shift narratives and debunk biases. ESOs can support a more

inclusive and healthy innovation ecosystem by marketing and focusing on business sustainability as a success metric over large tickets. Collecting and analysing gender-specific data on funding, team composition, and startup performance will further help address the unique challenges faced by women entrepreneurs.

Lastly, this research demonstrated that all the ecosystem actors should mobilise together. This roadmap serves as a call to action for investors, ESOs, and network makers to collaborate together in supporting women entrepreneurs. The broader ecosystem should prioritise gender-inclusive investment strategies and actively seek out high-potential women-led startups. ESO programmes should include mentorship for women founders that facilitates market access. ESOs should leverage their relationships in the ecosystem to champion diverse fund managers, invest in funds led by inclusive leaders and help de-risk investments. The ecosystem should support sustainable business growth by focusing on long-term commercial viability rather than just funding size. ESOs should use their platforms to highlight success stories, share impactful data, and use your platform to change narratives around women founders. Together, we can create an equitable and prosperous future for all entrepreneurs. Invest in diversity. Invest in the future.

## Annex A. List of Research Participants

This list outlines the participants in the WTEA interviews, advisory group and roundtable who provided permission for their involvement to be shared publicly. We are grateful to all participants both named and unnamed for their contributions to this body of work.

Key Findings	
Stakeholder interviews	<b>Eghosa Omoigui</b> , Managing Partner, EchoVC <b>Sheilah Birgen</b> , Director, Digital Cooperation Organisation <b>Fatou Toure</b> , Partner, Five35 <b>Fadilah Tchoumba</b> , CEO ABAN <b>Abel Boreto</b> , Investment Director, Novastar <b>Claudia Manning</b> , Principal SA SME Fund <b>Natalie Miller</b> , Consultant, IFC <b>Alex Fraser</b> , CEO, Viridian
Advisory Group	<b>Damilola Teidi</b> , Head of Platform and Networks, Ventures Platform <b>Gladwyn Leeuw</b> , Chief Investment Officer, E Squared <b>Sarah Dusek</b> , Managing Partner Enygma Ventures <b>Elena Haba</b> , Lead 2X Ignite, 2X Global
Country Workshops	
South Africa	<b>Hope Dithakanyane</b> , Investment Principal Founders Factory Africa <b>Tshilidzi (Makhari) Matlala</b> , CFA, Chief Portfolio Officer, E Squared <b>Dineo Lioma</b> , Founder & CEO, Deep Medical Therapeutics <b>Vuyo Thulani Angoma Mzini</b> , Investment Manager, Launch Africa + Five35 Ventures <b>Paula Mokwena</b> , CFA, Managing Partner, Fireball Capital
Kenya	<b>Joyce Mbaya</b> , CEO, Zydii <b>Jihan Abass</b> , CEO, Lami <b>Mike Mompoti</b> , Managing Partner, Enza Capital <b>Ivy Muthoni Macharia</b> , Enza Capital <b>Mia von Koschitzky-Kimani</b> , Managing Partner, Future Africa <b>Maryanne Ochola</b> , Managing Director, Endeavour Kenya <b>Timame Wanyoike</b> , Community & Operations Manager, Ubuntu Foundation <b>Thea Sokolowski</b> , Co-Founder, Women Who Build Africa
Nigeria	<b>Keturah Ovio</b> , Founder, Dukkah <b>Amaka Okechukwu Opara</b> , Partner, Women's Enterprise Acceleration Vehicle <b>Ashley Lewis</b> , Head of VC, DPI <b>Mobolaji Adeoye</b> , CEO, Consonance <b>Nike Ogunjimi</b> , Kuramo Capital

## Annex B. Implementation partners

The table below highlights recommended implementation partners for driving improvements or transformations for women tech entrepreneurs in South Africa, Kenya and Nigeria. This list is not exhaustive but reflects key entities engaged in this research. These organisations are recognised leaders in gender lens investing and are ideally suited to pilot the recommendations outlined in this report due to their expertise and proven track record.

DFI	
Pan-African	Mastercard Foundation, IFC, Gates Foundation
Commercial Investors (by primary location)	
Pan-African	TCom, DPI
South Africa	Enygma Ventures, Five35, 54 Collective, Launch Africa
Kenya	Enza Capital, Chui Ventures, Novastar Ventures
Nigeria	EchoVC, Ventures Platform, Consonance, Weav Capital, Future Africa, Ingressive Capital
Impact Investors (by primary location)	
Pan-African	DeveloPPP Ventures, ATG Samata
South Africa	E Squared Fireball Capital
Kenya	DOB Equity
Nigeria	Aruwa Capital Management
Entrepreneurship Support Organisations	
Pan-African	2X Global, Digital Africa Collective, Endeavour, Ubuntu Foundation
South Africa	WomHub, Startup Club ZA, Viridian
Kenya	iHub
Nigeria	CCHub

Foreign, Commonwealth & Development Office

V54 Open Impact

Briter Bridges