

IFC STARTUP CATALYST EXPANSION | FACT SHEET



What is IFC Startup Catalyst?

In 2016, IFC launched **IFC Startup Catalyst** – a platform designed to invest in incubators, accelerators, and seed funds supporting innovative startups in emerging markets. In 2020, the platform received additional funding, including from the **Blended Finance Facility of the International Development Association's (IDA) Private Sector Window** and the **Women Entrepreneurs Finance Initiative (We-Fi)** to expand its support to businesses in fragile and conflict-affected countries as well as women entrepreneurs. To date, IFC Startup Catalyst has supported **19 accelerators and seed funds** that have invested in over **1,180 startups**.

What is the new expansion?

IFC is expanding Startup Catalyst. The platform will have a new pool of **\$60 million**, including funding from the Blended Finance Facility of the IDA's Private Sector Window. With the new infusion of capital, the total size of the platform will reach approximately **\$120 million** since inception.

What is the focus of the expansion?

The Platform will invest in incubators, accelerators, and seed funds in the most nascent venture ecosystems, with a particular focus on the poorest and most fragile countries. The platform will also focus on funds that support emerging entrepreneurs in critical sectors, such as climate technology, and promote women entrepreneurship and inclusion.

How does the platform complement IFC's investment strategy in the venture capital space?

By supporting incubators, accelerators, and seed funds, which are key to strengthening nascent tech ecosystems and creating new businesses, IFC Startup Catalyst helps create a pipeline of innovative companies with high-growth potential ready to receive later-stage investment. As these early-stage startups mature, IFC can help them scale further by providing market expertise, access to networks, and much-needed capital, including through the recently launched **IFC's Venture Capital Platform**, which will invest \$225 million in startups in Africa, Middle East, Central Asia, and Pakistan.

Why is it important now?

Startups have the potential to innovate critical sectors in emerging markets by developing and scaling new technologies and tech-enabled business models that create jobs, promote innovation, and help solve pressing challenges, such as those linked to climate change, access to finance, healthcare, and education. Despite their potential, early-stage entrepreneurs in nascent venture ecosystems face significant challenges in accessing the capital and expertise they need to launch and grow their businesses. In 2021, Africa, Middle East, Central Asia, and Pakistan received less than 2% of global venture capital funding. In critical sectors like climate technology, funding for emerging entrepreneurs can be even more scarce. According to recent data, climate venture funding totaled **\$37 billion in 2021**, just 5% of the total global venture capital investment; this number is even smaller in emerging markets, which are on the front lines of the climate crisis and could disproportionately benefit from innovative climate-tech solutions. In this context, women entrepreneurs face even greater challenges in accessing the capital needed to grow their businesses - only **11% of seed funding in emerging markets** goes to companies with a woman on their founding team.



Backed by IFC's capital and expertise, seed funds, incubators, and accelerators can help bridge these gaps by providing tech startups in the poorest and most fragile countries with the initial access to capital, mentorship, and networks they need to launch and scale their businesses. By supporting fund managers that invest in a pipeline of startups at the pre-seed or seed stage with high-growth potential, **IFC Startup Catalyst** helps overcome some of the risks that typically deter commercial investors from funding early-stage companies in emerging markets, ultimately contributing to strengthening nascent tech ecosystems around the world.

Results to date:

IFC Startup Catalyst's portfolio has delivered significant impact in nascent tech ecosystems:

2,800+ entrepreneurs received support and mentoring, including over 700 women entrepreneurs

1,180 startups in 24 emerging markets received funding

\$580 million of committed capital raised from external investors into IFC Startup Catalyst's investee funds

\$4.5 billion in follow-on funding raised by supported startups

Interested in getting funding for your seed fund, accelerator, or incubator?

Send your investment proposals to:

- Xiaomin Mou, Senior Investment Officer, xmou@ifc.org
- Sobhi Mahmassani, Investment Officer, smahmassani@ifc.org

For more information, visit www.ifc.org/VentureCapital/StartupCatalyst