

SARMAYACAR | Pakistan

Supporting women entrepreneurs to scale

Market Gaps

COUNTRY CONTEXT

There are very few commercial/professional venture funds in Pakistan. While elements of a vibrant ecosystem exist — increasing investor sentiment, favorable demographics, growing base of digital consumers and rising internet and smart phone penetration — access to venture capital in the region is significantly low. Pakistan's five-year average annual venture capital penetration rate of 0.006 percent is at the bottom-end for most emerging markets.

ACCESS TO FINANCE

The median female-led business in Pakistan has received only 65 percent of the funding received by the median male-led business.

Female-led businesses are slightly less likely to receive second round funding than male-led businesses (13 percent compared with 17 percent, respectively) as per the Moving Toward Gender Balance in Private Equity And Venture Capital Report, 2019.

According to the World Bank Group, Pakistan's current female labor force participation rate is only 24 percent, compared with 46 percent for fragile and conflict countries and 47 percent globally. Of those women that do participate in the work force in Pakistan, the jobs are highly concentrated in agriculture (72 percent) and craft and related trade occupational segment (13 percent).

Barriers



LACK OF QUALITY INVESTORS



LIMITED FUNDING OPPORTUNITIES

EXPECTED IMPACT



25%

Fund investments in women-led companies



40%

Women-led tech companies reviewed in pipeline

The Women Entrepreneurs Finance Initiative (We-Fi) is a collaborative partnership among 14 governments, six multilateral development banks (MDBs), and other public and private sector stakeholders, hosted by the World Bank Group. It seeks to address financial and non-financial constraints faced by women-owned small and medium enterprises in developing countries. International Finance Corporation We-Fi (IFC We-Fi) program, is a part of the World Bank Group We-Fi program, a joint global initiative of the World Bank and IFC.

Sarmayacar is one Pakistan's first formal structured early-stage venture funds that focuses on tech-enabled businesses. Established in 2016, Sarmayacar ('investor' in Urdu) is a syndicate of local and international angel investors pooling capital and expertise to back Pakistani startups.

ABOUT THE PROJECT

This project invests in Sarmayacar, which provides early stage support and training to start-ups in Pakistan. The We-Fi contributions aims to catalyze the fund's outreach and investments in early stage high-impact women tech start startups.

BLENDED FINANCE STRUCTURE

