TIDE AFRICA | Africa Region

Providing women tech entrepreneurs with access to early stage capital

**Market Gaps**

**REGIONAL CONTEXT**

Several African countries have emerged in the last decade as centers for tech activity and entrepreneurship, led by South Africa, Nigeria, and Kenya.

Over 50 percent of the world’s population growth is expected to come from Sub-Saharan Africa in the next 30 years.

While there are actors providing seed stage funding, there are few investors that can write larger Series B+ checks.

**ACCESS OF FINANCE**

Venture capital funding for startups across the continent in 2017 reached an all-time high of more than $500 million — a 53 percent year-on-year increase. Yet, only $30 million — a 5.3 percent — went to companies with female co-founders (Crunchbase Data 2012-2017).

This is even lower than the emerging markets, where the level is already low. Between 2012-2017, only 9 percent of companies that received venture funding were women-led startups (Crunchbase Data 2012-2017).

**LIMITED ACCESS TO EARLY-STAGE CAPITAL**

**LACK OF SKILLED INVESTORS WITH PATIENT CAPITAL**

**EXPECTED IMPACT**

<table>
<thead>
<tr>
<th>20</th>
<th>Women founders receiving structured mentorship</th>
</tr>
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<tbody>
<tr>
<td>10%</td>
<td>Fund investments in women-led companies</td>
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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.
TIDE Africa is a venture capital fund focused on fast-growth tech-enabled businesses in Sub-Saharan Africa, particularly in Lagos and Nairobi.

**ABOUT THE PROJECT**

This project invests in TIDE Africa to provide technology entrepreneurs with access to early and mid-stage capital in Sub-Saharan Africa and increase the inclusion of women-owned businesses in the Sub-Saharan Africa technology ecosystem.

The We-Fi support to TIDE Africa helps catalyze the fund’s outreach and provision of finance to early stage high-impact women-owned/managed technology startups.

**BLENDED FINANCE STRUCTURE**

<table>
<thead>
<tr>
<th>PIPELINE OF WOMEN ENTERPRISES</th>
<th>TIDE AFRICA</th>
<th>PORTFOLIO OF WOMEN ENTERPRISES</th>
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<tbody>
<tr>
<td>Increase the percentage of women-led startups reviewed, diligence conducted and mentored</td>
<td>Saharan Africa-focused venture capital fund targets women technology startups</td>
<td>Increase percentage of investments in women-led companies</td>
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**IFC INVESTMENT**

$5 million equity

**We-Fi SUPPORT**

$1 million equity (incl. ~$125,000 performance-based incentive)

The project consists of a $1 million equity contribution funded by We-Fi alongside a $5 million IFC equity investment in TIDE Africa.

Concessionality is provided in the form of a performance-based incentive of ~$125,000 to help the fund manager absorb costs that are associated with adopting sourcing strategies to generate a pipeline of high-growth women-led technology startups.