Defying the Odds
Women entrepreneurs in the MENA region are thriving

Green Bonds
Innovations in climate finance are reaching emerging markets

Africa Tech
Training software developers to fill positions worldwide

Powerful Partnerships
A first-of-its-kind initiative proves the business case for investing in women

IN CONVERSATION WITH GOLDMAN SACHS
CHAIRMAN AND CEO LLOYD BLANKFEIN

“Once you create the opportunity, little can hold these entrepreneurs back.”
AFRICA TECH
Africa’s Tech Talent Finds its Place in the Global Economy

10

IN CONVERSATION WITH LLOYD BLANKFEIN
“Once you create the opportunity, little can hold these entrepreneurs back.”

GREEN BONDS
Capital Markets, Climate Finance

4

INVESTING IN WOMEN
The Power of Partnership

22

MENA ENTREPRENEURS
Defying the Odds

26
They matter most when they are used to raise living standards and confront the largest challenges to human development. Seemingly small ideas—an innovative business that just needs a loan to get started—can change lives and lift families out of poverty. Other ideas are bigger. They can create thriving markets that bring jobs and prosperity to entire regions.

That’s what this inaugural issue of IFC PERSPECTIVES is all about—ideas with the potential to rewrite the rules of development. Achieving that potential isn’t easy. It takes years of hard work and refinement to build a good idea into something that’s capable of helping the world’s most vulnerable.

Some of the ideas you’ll read about in these pages are brought to life by first-time entrepreneurs who are benefiting from the Women Entrepreneurs Opportunity Facility, a partnership between IFC’s Banking on Women program and Goldman Sachs’s 10,000 Women. Four years in, the program has invested almost $1 billion in 26 emerging market countries. In our exclusive cover interview, Lloyd Blankfein, Chairman and Chief Executive Officer of Goldman Sachs, discusses the impact of the initiative.

Other ideas—like the rapidly expanding market for green bonds—are in full bloom and are having great impact on the world.

In fact, we are living in the decade of green bonds. In 2007, green bonds were non-existent. One decade later, in 2017, $155 billion in green bonds were issued around the world. And that number is rising dramatically as global capital markets accelerate the fight against climate change.

IFC is proud to play a role. We’ve partnered with Amundi on the world’s largest targeted green bond fund focused on emerging markets, which creates both supply and demand, an initiative you can read more about in this issue. Our recent Climate Business Report found that more than $1 trillion in investment is already flowing into climate-related projects every year. Yet trillions more are needed.

We created this quarterly magazine because of the great need for a platform to discuss the private sector’s role in addressing the biggest development challenges of our time. Future issues will feature stories on blockchain technology, correspondent banking, and employer-supported childcare. IFC PERSPECTIVES will publish the most innovative ideas in private sector development wherever they reside—from IFC, from our clients, from think-tanks and universities, from other development institutions, from the IMF and from our internal partners across the World Bank Group. The goal is simple: to provoke a conversation about what’s possible in a complex and ever-changing world—for the benefit of the people we serve.

Let us know what you think. We look forward to your feedback.

Philippe Le Houérou
CEO, International Finance Corporation

Join the conversation:
IFCPERSPECTIVES.ORG
#IFCPPERSPECTIVES
The green bond market has seen explosive growth in the past decade, presenting an unrivaled opportunity in climate finance. Annual issuance has now risen from zero to more than $155 billion globally, with more growth ahead. But in emerging markets, the green bond era is just beginning.
Combating climate change is one of the greatest challenges of our time, requiring far more financing than governments alone can provide.

Yet there is good news. Climate change is increasingly viewed as a business opportunity, opening many profitable ways for investors to help protect the planet.

One of the most promising opportunities is green bonds. Almost unknown a decade ago, they now stand as a key private sector solution helping finance the world’s transition to a low-carbon future.

Green bonds generate financing for projects in renewable energy, energy efficiency, sustainable housing, and other eco-friendly industries. They tap the vast pools of financing—the trillions of dollars held by institutional investors such as pension funds, insurance companies, and sovereign wealth funds—available in global capital markets. These investors are looking for climate-smart initiatives that make good business sense: opportunities that carry the right risk-reward profiles and meet investor-specific criteria for rating, tenor, yield, and geographic diversity.

But as green bond volumes increase, it will become ever more important to agree to common guidelines that promote integrity and standards governing transparency, responsible investor behavior, and impact evaluation.

"We are literally creating a market by building both the demand and the supply side. This is unprecedented."

PHILIPPE LE HOUÉROU, IFC CEO

GREEN BONDS: TRACKING A MARKET’S GROWTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2007</td>
<td>€600m The European Investment Bank issues a €600 million Climate Awareness Bond focused on renewable energy and energy efficiency, the first transaction of its kind.</td>
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<tr>
<td>2008</td>
<td>$440m The World Bank issues the world’s first labeled green bond, raising the Swedish krona equivalent of $440 million.</td>
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<tr>
<td>2010</td>
<td>$200m IFC issues its first green bond, raising $200 million.</td>
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<tr>
<td>2012</td>
<td>$2.6bn Annual global green bond issuance rises to $2.6 billion.</td>
</tr>
<tr>
<td>2013</td>
<td>$1bn IFC issues a $1 billion green bond, the largest in the market to date, setting new global benchmarks.</td>
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Growth of the Green Bond Market

Over the course of just one year—2017—new green-bond issuance grew by 78 percent, to more than $155 billion worldwide. That number is expected to reach $250 billion in 2018, according to the Climate Bonds Initiative, an international nonprofit with an important certifying role.

Yet, in the developing world the market is still in its nascent stage.

Globally, most green bonds have come from developed nations. In emerging markets, most activity has so far come from just two countries: China and India. But many experts see great growth for green bonds in emerging markets, pointing to a few early examples.

In May 2017, Brazilian development bank BNDES raised $1 billion in one of the largest green-bond offerings from Latin America. Proceeds are being used to finance a wide range of wind and solar projects in Brazil.

Green bonds could do much to support the 2015 Paris climate accord’s goals of holding the increase in the global average temperature to well below 2 degrees—by mobilizing the financing necessary for businesses to shift toward low emissions and climate-resilient growth.

But what can be done to enable developing countries to take on a larger role in this arena? Expanding the green-bond market in these countries will require several things: defining the asset class, setting standards, structuring transactions, and attracting investors. This is the global action plan—one where IFC plays a central role.

The Origins of Green Bonds

The market began with a climate awareness bond issued by the European Investment Bank in 2007. Since then the World Bank Group has created a notable supply of investable green bonds.

Since 2010, IFC has issued more than $7 billion in green bonds to private investors in its own name—proceeds that have been used in solar power in Mozambique, wind power in Panama, climate-smart public transit in Turkey, and a host of other projects.

At the same time, IFC has helped client banks in Colombia, the Philippines, Morocco, and other countries begin to do the same. The most recent: subscribing to a $100 million, seven-year issue from Argentina’s Banco Galicia to finance projects in energy efficiency, renewable energy, and sustainable construction, among others. These projects are expected to reduce greenhouse emissions in Argentina by about 157,500 metric tons of CO2 per year, roughly the equivalent of taking 33,700 cars off the road.

Sovereign issuers are also becoming important players, beginning with issues by Poland, France and Belgium. To protect its 900,000 citizens and their livelihoods, in 2017 Fiji worked with IFC and the World Bank to become the first developing-country government to launch its own sovereign green bond. With the aim of raising 100 million Fijian dollars (US$50 million), the first two tranches drew unprecedented demand from investors and were heavily oversubscribed. Through the bond, Fiji has created a new way to mobilize finance for development—and a market for private capital seeking climate-smart investment opportunities. Since the Fiji bond, Nigeria has also issued a green bond.
A Landmark Transaction

Just last month in Paris, IFC partnered with Europe’s largest asset manager, Amundi, to launch the world’s largest green-bond investment vehicle focused on emerging markets: the Amundi Planet Emerging Green One (EGO) fund.

The fund closed at $1.4 billion. It is expected to deploy $2 billion into emerging-markets green bonds over its lifetime as proceeds are reinvested over the next seven years. IFC’s $256 million anchor investment helped mobilize roughly four times that amount from other investors—$1 billion of the funds came from private institutional investors.

“Issuing a green bond is also a way for issuers to better communicate on their strategy with respect to climate change adaptation and mitigation,” explains Amundi CEO Yves Perrier. “The combination of these two aspects makes green bonds one of the key instruments to mobilize capital markets to support sustainable development.”

“Leveraging Amundi’s emerging-market debt investment capabilities, our commitment to ESG, and IFC’s unique outreach in emerging countries, Amundi Planet is a unique way to increase financial flows and develop sustainable financing to support the energy transitions in countries where it is most needed.” Added IFC CEO Philippe Le Houérou: “In fact, we are literally creating a market by building both the demand and the supply side. This is unprecedented.”

As part of its unique structure, the fund includes a parallel IFC-managed technical assistance program, funded initially by a $7.5 million grant from the Swiss Secretariat for Economic Affairs (SECO). The program will support the creation of new markets for climate finance by developing green-bond policies, providing training programs for bankers, and facilitating the adoption of the Green Bond Principles and international best practices in emerging markets.

The fund’s committed investor base consists of capital raised from leading pension funds (Alecta, AP3, AP4, APK Pensionkasse, APK Vorsorgekasse AG, ERAFP, MP Pension), insurance companies (Crédit Agricole Assurances, LocalTapiola General Mutual Insurance Company, LocalTapiola Mutual Life Insurance Company), asset managers, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and other international development banks, and other institutions.

Standard Setting

To mature fully, the green bond industry needs to be guided by agreed environmental, social and governance standards and terms for transparency, responsible investor behavior, and impact evaluation.

Standards – known as the Green Bond Principles and first published in June 2014 – were developed by the Executive Committee of the Green Bond Principles, a collaborative industry group combining issuers, underwriters, and investors. IFC is a member of the group, which is housed within the International Capital Market Association in Paris, and part of the Executive Committee itself.

“The Green Bond Principles have gained broad market acceptance—as good practice driving openness and accountability—and membership is now at more than 150 members who voluntarily adhere to the principles,” said IFC Vice President and Treasurer Jingdong Hua. “The more financial institutions, governments, and standards-setters work together on new markets, impact reporting and green projects eligibility, the more investors will see green bonds as a viable asset class—and the more the annual volume of green bond issuance will increase in emerging markets.”

Annual Green Bond Issuance by Issuer Type ($ equiv. billion)
In December 2017, IFC pledged $8 million to help fund the installation of a solar array at the area’s biggest business park, the Gaza Industrial Estate, helping manufacturers to ramp up production and create jobs. The investment was part of a financing package that included guarantees of up to $7 million issued by the Multilateral Investment Guarantee Agency (MIGA) and grants of $1.8 million from the World Bank.

In 2013, IFC spearheaded a $221 million financing package to support the development of the Tafila Wind Farm, a clean-energy plant that can power 80,000 homes. The funding is part of IFC’s larger effort to kick-start the development of Jordan’s renewable-energy industry and create a market for green power. Since 2013, IFC has arranged more than $500 million in financing for wind farms and solar projects in the country.
Africa’s technology scene is booming, with over 400 tech hubs that range from software engineering to mobile money to blockchain technology. IFC client Andela, based in Nigeria and Kenya, trains software developers and places them in salaried positions in companies worldwide.
Jackie Macharia, a 26-year-old software developer based in Nairobi, works for a company headquartered in London that sets up solar panels in India.

In Nairobi and elsewhere in sub-Saharan Africa, stories like Macharia’s—a genuine example of globalization—are starting to become more commonplace. Africa’s technology scene is booming, with over 400 tech hubs that range from software engineering to mobile money to blockchain technology. Global businesses have long relied on workers in far-flung locations for technology services, but until recently African techies hadn’t been on their radar. Now they are.

One reason is the work of Andela, a company based in Nigeria and Kenya that trains software developers and then places them in salaried positions in companies worldwide. So far, Andela has selected more than 600 developers, including Macharia, and has found employment for them as full-time engineers in firms across Asia, Europe, the Middle East, and the United States.

“There is a mismatch between demand and supply of software developers. Andela offers companies an opportunity to hire African talent and expertise,” says Brice Nkengsi, Andela’s Director of Engineering, who hails from Cameroon.

**Mastering the Job**

For young, college-educated Africans, Andela’s program is in some ways a greater commitment than getting a Master’s degree. The four-year program begins with a six-month onboarding period, during which time developers learn technical and professional skills in simulated engineering-team environments. They are then placed with one of Andela’s partners, where they hone their skills while building products for a global user base.

This depth of learning, coupled with the prospect of securing a job, has convinced many to choose Andela instead of getting an advanced degree. Wambua Makenzi, 22, was considering a Master’s program in Computer Science until he heard about Andela from a friend.

“I liked the idea of learning on the job,” says Makenzi. “There’s no white-board or exams, but you work with real teams, on real projects, and earn a salary.”

Makenzi was one of the candidates who made it through Andela’s two-week “bootcamp” selection process, which includes aptitude and psychometric testing, as well as assessments of values, passion, and integrity. Successful candidates then receive six months of intensive training in software development before being placed with Andela’s partner companies worldwide. Makenzi now works for GoKash, a fintech firm in Dubai, while still living in Nairobi.

“I think most people learn more at Andela in six months than you would learn anywhere else in six years,” he says.

**Making Learning Fun**

Not only is Andela changing the way that African youth learn, it’s also changing where they learn. The newly built, sprawling campus in Nairobi replicates world-class tech campuses (think Google and Facebook), creating a setting where minds can thrive.

In many ways, Andela seeks to copy the modern working environment for which Silicon Valley has become famous, but it works hard to foster a culture that is more empowering and more inclusive. Developers have access to facilities such as a game room. Its centerpiece is a gaming console where developers face off in video games. For others, there’s a ping pong table and board games.

> “Any company that limits its talent search to local geography would be doing itself a disservice. There is talent worldwide.”
> 
> MEETESH KARIA, CTO THE ZEBRA
A large cafeteria provides meals around the clock, tailored to the time zones where developers work. When they tire of staring at the screen, the developers, who call themselves Andelans, can retreat to “quiet rooms” with a book, sudoku, and their headphones.

For African software developers, another benefit is a two-week trip to the partner company’s headquarters. For many, this is their first trip abroad.

Loice Kivisi, 23, arrived at work in Nairobi on a Thursday morning after a red-eye flight from San Francisco. She had been to the U.S. to learn the ropes at her partner company, Enuma, which designs educational software for children with special needs. Kivisi will work remotely from Africa with the gaming team, designing learning games for children in primary school.

“I didn’t ever think that I would go into gaming, and it’s tough, but I’m loving it,” she says. “At Andela, you can own your own curriculum, and focus on the skills you want to improve.”

**Supplying Skills to meet Global Demand**

Since its inception in 2014, Andela has formed partnerships like the one with Enuma with more than 100 companies worldwide—companies that are seeking out talented developers for their front-end and back-end software needs. Developers are integrated into virtual teams, and placements can last from anywhere between a few months to two years.

The Zebra, a car-insurance-comparison website with headquarters in Austin, Texas, is another one of Andela’s partners.

“Since we started working together, our Andela engineers in Africa have given us a key competitive advantage not only with the quality of their work but with the enthusiasm and energy they bring to our team,” says Meetesh Karia, chief technology officer of The Zebra.

“Any company that limits its talent search to local geography would be doing itself a disservice. There is talent worldwide—if you know where to look for it.”

Andela’s innovative model has attracted the attention of international financiers. IFC is supporting Andela through a fund established with Learn Capital Venture Partners III L.P. The early-stage venture fund invests in companies that are expanding access to quality education in emerging markets.

“Only a tiny fraction of African youth gets a chance for higher education,” says Salah-Eddine Kandri, IFC’s Global Sector Lead for Education. “Andela’s innovative model of combining high-quality IT training and talent-as-a-service agency is demonstrating how to connect top talent in Africa with employment opportunities at global technology companies.”

Along with IFC’s investment, Andela has received $80 million in venture capital from Google Ventures, the Chan Zuckerberg Initiative, and other key players in the global tech industry. Over the next 10 years, Andela’s ambitions will grow: it plans to train 100,000 software developers across Africa.

**“Most people learn more at Andela in six months than they would anywhere else in six years.”**

WAMBUA MAKENZI, ANDELA CANDIDATE
TECH HUBS ACCELERATING AFRICA’S TECH REVOLUTION

NUMBER OF TECH HUBS

- >50 TECH HUBS
- 20-49 TECH HUBS
- 10-19 TECH HUBS
- 5-9 TECH HUBS
- 1-4 TECH HUBS
- NO ACTIVE HUB

SOURCE: GSMA ECOSYSTEM ACCELERATOR TECH HUBS LANDSCAPE REPORT 2018
Africa’s Tech Hub Landscape

Africa’s tech revolution is accelerating. In 2017, investment in tech start-ups across the continent topped $195 million. The number of funded start-ups grew by 8.9 percent. Total funding of African tech ventures grew by 51 percent compared to 2016, taking investment into African start-ups to an all-time high.

A significant contributing factor has been the proliferation of tech hubs—including incubators, accelerators, and co-working spaces—in major urban centers such as Nairobi, Lagos, and Johannesburg. In 2015 there were fewer than 120 hubs in Africa. New research carried out by the trade association GSMA in early 2018 shows that the number of active tech hubs across the continent has now risen to 442, with a dozen more due to launch this year.

Forty-five percent of these tech hubs are concentrated in five countries: South Africa, Kenya, Nigeria, Egypt, and Morocco. The cities of Lagos, Nairobi, and Cape Town have emerged as internationally recognized technology centers. Still, the tech landscape is decidedly pan-African, with at least one active tech hub in almost every country.

Increased Focus on Fintech and Agritech

Dario Giuliani, co-author of GSMA’s Tech Hubs Landscape report, notes the trends that have accompanied this growth over the past two years. “One thing we’ve observed,” he says, “is that many tech hubs, having once been sector-agnostic, are narrowing their offering to target specific niches. We’re now seeing a lot of hubs that focus exclusively on fintech, and some focus exclusively on agritech.” This increasing ‘specialization’ facilitates the sharing of skills and resources, and helps to channel the flow of international capital.

Mapping the tech ecosystem has become pivotal to keeping track of the ever-increasing role of entrepreneurship and innovation in African economies. Broadly, there is evidence of tech hubs driving countries’ overall economic development. “In countries where the business infrastructure is often inadequate, these hubs represent a point of reference for local and international innovators,” Giuliani says.

Ghana’s iSpace is considered one of the continent’s top tech hubs. Since 2013, it has helped local innovators develop their skills and ideas, and connected them with mentors and investors. Volunteers provide coding classes to young people and women free of charge—an effective vehicle for capacity-building.

“We’re now seeing a lot of hubs that were previously sector-agnostic focus exclusively on fintech, and some focus exclusively on agritech.”

DARIO GIULIANI, CO-AUTHOR OF THE GSMA REPORT

“Tech hubs represent a true catalyst for innovation and investment in Africa.”

DARIO GIULIANI, CO-AUTHOR OF THE GSMA REPORT
“Once you create the opportunity, little can hold these entrepreneurs back.”

Lloyd Blankfein is Chairman and CEO of Goldman Sachs. In this exclusive interview, he talks about the Goldman Sachs Foundation’s groundbreaking 10,000 Women initiative and the Women Entrepreneurs Opportunity Facility (WEOF), a first-of-its-kind partnership with IFC, to improve access to finance for SMEs owned or run by women.

Launched in 2014, WEOF has now raised almost $1 billion to support women entrepreneurs across the developing world, helping to transform thousands of lives.
Q&A

IFC PERSPECTIVES: Goldman Sachs launched the 10,000 Women initiative in 2008. What spurred that decision?

Lloyd Blankfein: In 2007, there was increasing concern that not enough people were sharing in the benefits of globalization. We obviously believe strongly in markets and recognized the need to identify ways we could support more economic opportunities for people.

Our economists, as well as others, had done some work on women’s economic empowerment, and the clear economic and social benefits that come from more women participating in the economy.

As we dug deeper into the issues, one example that really struck a nerve was the fact that there was something like 2,000 slots for women MBAs on the continent of Africa. The schools just didn’t have the capacity, among other issues.

So we thought about how to create an infrastructure that could train and empower more women in developing economies and we settled on a certificate model that partnered with business schools around the world.

We shared the concept with the schools and tested it with people who had far more experience in this area than we did and the response was very positive. We never looked back.

Were you surprised at the success of the 10,000 Women program? Is there anything about the initiative that makes you especially proud?

The economic rationale was compelling and I thought if we could get the model right, then it would be a success.

I don’t know that I expected that 70 percent of graduates would report higher revenues in their business and nearly 60 percent would add new jobs. We’re obviously very proud of the results, but it also shows you how much untapped potential there was…and is.

But it’s the human element that matters and when you see how 10,000 Women has changed people’s lives, nothing really prepares you for that when you see it up close. When you see one woman entrepreneur grow, not just commercially, but professionally and personally, and think about the effect that has on her family and community…that’s what I’m most proud about.

For instance, 10,000 Women graduates, on average, go on to mentor something like eight other women each. The impact of that is pretty profound.

10,000 Women is widely regarded as having raised the bar for strategic philanthropy programs. What advice would you give to other private sector organizations considering similar initiatives?

First, I think it’s important to focus on an area that is relevant to your business and where you can make a difference. It didn’t make sense for us to focus on something like clean water or novel ways to deliver medicine to remote areas.

We had relationships with a number of business schools and a natural extension of that was to advance partnerships necessary to make the program a success.

As it relates to partnerships, I think it’s important to work with local institutions to deliver our program on the ground, given those institutions have the best understanding of the landscape, culture, and barriers faced by local entrepreneurs.

Finally, we hold our philanthropic work to the same standards as our other investments at the firm. We measure rigorously and developed a comprehensive monitoring and evaluation system. Measurement is core to the program and has been vital to the success of 10,000 Women.

You began to partner with IFC on the Women Entrepreneurs Opportunity Facility (WEOF) in 2014. Why did you decide to do that?

As we spoke with our alumnae of the program, it was clear that we had an opportunity to further help women take their businesses to the next level by focusing on access to credit.

IFC’s own research estimated that as many as 70 percent of women-owned SMEs in developing countries are unserved or underserved by financial institutions.

Partnering with IFC was a natural next step, as it has a broad and deep presence in emerging markets, and a strong set of existing relationships with banks on the ground.

“[That’s] what makes me most proud. Watching one female entrepreneur grow, commercially, professionally, and personally.”

LLOYD BLANKFEIN
“If we could create something that provided people more personal opportunity and that contributed to broader economic growth, the multiplier effect of that would be hard to contain.”

LLOYD BLANKFEIN
At the launch of the initiative, World Bank Group President Jim Yong Kim said that your commitment was “very personal.” What did he mean by that?

Supporting, helping to grow businesses is in the DNA of Goldman Sachs—it’s what we do every day for our clients. Carrying this over to our philanthropic efforts made sense to me, and made sense to the people of Goldman Sachs.

Often, we are working on an institutional or corporate level in the context of significant numbers. But many of these enterprises began because of one person’s or a small group’s entrepreneurship.

I grew up in the projects of Brooklyn, NY but I benefited from an opportunity to attend college… through a financial scholarship.

I know about the power of opportunity and if we could create something that provided people with more personal opportunity and that contributed to broader economic growth, the multiplier effect of that would be hard to contain.

**WEOF initially aimed to reach 100,000 women entrepreneurs. How did you decide on the 100,000 women target? Did it seem a lot at the time?**

It’s still a large number! We knew we wanted to be ambitious having reached 10,000 women through the business education component of the program.

The leverage that IFC provided to the initial $50 million investment from the Goldman Sachs Foundation gave us confidence that we could reach the target number of women entrepreneurs.

**You originally targeted total financing of $600 million but the program will soon reach $1 billion of commitments. How does that make you feel?**

Reaching $1 billion will be a wonderful milestone for everyone involved. It highlights the need and opportunity to continue to invest in women entrepreneurs.

I’m proud that as a result of the success of the Facility more public-private partnerships have launched focused on women entrepreneurs.

IFC has been an outstanding partner and it has been critical in getting to this point.

**The stated goal of WEOF was to enable 100,000 women to access capital. In its mid-point, the facility has reached almost 50,000 women entrepreneurs. What are your thoughts on this progress?**

While we’re happy with the progress, there is so much more work to do. The financing gap is still unacceptably large. I’ve read that an estimated 40 percent of small and medium-sized businesses face an unmet financing need.

Following your success with 10,000 Women and WEOF, what’s next for Goldman Sachs in its efforts to support women?

Next, we are focused on leveraging technology to reach even more women in more corners of the world. Specifically, we are intent on creating a world-class online learning experience to support female entrepreneurs. The goal is to continue to transform entrepreneurship training globally, democratizing access to business education on a global scale, through a digitally delivered curriculum.

**What were your goals and ambitions when you were first appointed CEO of Goldman Sachs? When you look back on your career, how does 10,000 Women and WEOF rank in terms of the things you are proudest of?**

When I first became CEO, my priority was to ensure that I leave the firm stronger than I found it. That’s what I continue to focus on every day.

I couldn’t be more proud of 10,000 Women and our sister program, 10,000 Small Businesses, which helps provide skills and capital to small businesses in the U.S.

The opportunity to engage the entrepreneurs in these programs has been one of the great benefits of my job. I’ve gotten a tremendous amount out of those interactions and so have the people of our firm.

On WEOF, I am particularly proud that IFC chose to work with us to address this critical need. I view the facility as a powerful validation of 10,000 Women and one of the great public-private partnerships.

**What is the biggest lesson you have learned from these programs?**

I know how fortunate my colleagues and I are. We work with smart people in the firm and with equally talented clients. But, when you meet and talk with the participants of 10,000 Women, it only confirms that all of these entrepreneurs are smart, driven, and talented.

It’s a question of opportunity and who gets it. Once you create the opportunity, then little can hold back these entrepreneurs.

Looking back, if you could change one thing about either Goldman Sachs or your own commitment to 10,000 Women or WEOF, what would it be?

Thankfully, not much. We were intent on doing something meaningful, different, and scalable. The only thing I would change, knowing what I know now, is to have, of course, done it sooner.

But, when we first started, there was a lot we didn’t know, we wanted to be prudent with the resources and careful with whom we worked with. Of course now, I wish we would have gone faster. But I could only know that now.
Roundtable with 10,000 Women entrepreneurs at Tsinghua University, China, 2015


10,000 Women launch, NYC, 2008

10,000 Women launch, NYC, 2008
The Power of Partnership
A first-of-its-kind initiative from IFC and Goldman Sachs is delivering much-needed financing for tens of thousands of women entrepreneurs and proving the wider business case for investing in women.

Women own or run a little more than a third of small and medium enterprises (SMEs) in emerging markets. For those businesses, one of the biggest barriers to their growth is lack of finance—IFC’s research points to an estimated unmet credit need of $1.48 trillion for women-owned SMEs in developing countries.

When women have access to finance, it has many positive ripple effects. Research shows that SMEs run by women are better at reinvesting profits in the business, investing in their families’ health and education, and strengthening local communities. Improving women’s access to finance could boost global economic output by up to $28 trillion by 2025, according to some estimates.

Prospects for women entrepreneurs—despite the gaps—are improving. While recent attention has focused on several announcements of initiatives to support women entrepreneurs, observers now point to a program, which started four years ago, as paving the way for what would come.

The program is the Women Entrepreneurs Opportunity Facility (WEOF), a joint initiative established by IFC and the Goldman Sachs Foundation. Its goal is to provide access to capital for 100,000 women, stimulating economic growth, and building stronger, more prosperous communities.

WEOF itself built on earlier pioneering initiatives from IFC’s Banking on Women business and the Goldman Sachs Foundation’s 10,000 Women initiative.

“We know that investing in women entrepreneurs is good for financial institutions, communities, and countries. Goldman Sachs shared our commitment and, through WEOF, we joined forces to demonstrate the commercial viability of investing in women to banks and investors around the world,” says Jessica Schnabel, Global Head of IFC’s Banking on Women program.

John F.W. Rogers, Chairman of the Goldman Sachs Foundation, explains that the Foundation decided to partner with IFC “because we wanted to create profound change on a local, national and global scale. We were confident our partnership would enable us to help women entrepreneurs obtain the external capital they so desperately need. We hope the success of WEOF demonstrates to others around the world that investing in women is good business.”

Although WEOF still has six years to run, to date, it has made over $990 million in investments in 26 financial intermediaries in 26 countries—far surpassing its original target of $600 million. It has also funded 10 advisory projects in nine countries with total project value of $4.3 million.
A Catalyst for Change
The Facility’s geographical footprint extends from the steppes of Mongolia to the foothills of the Andes, and is providing finance to trailblazing women entrepreneurs from the Democratic Republic of Congo to Lebanon and—most recently—Sri Lanka. Its success is due to the support of partner financial institutions in emerging markets.

So far, the Facility has reached 50,000 women entrepreneurs around the world. This includes women like Berta Souri, a customer of BHD Leon in the Dominican Republic. Souri started out making dresses at her sister’s apartment, and now runs a major clothing company, Souri Industrial, which employs more than 50 people.

“The Bank has given me more than money,” she says. “It has given me confidence.”

In Lebanon, Zeina Khoury Daoud had a similar experience. She grew up pressing olives to produce oil for family and friends. She transformed that into a small business called Le Potager Bio, adding spices and teas to the offering. With help from BLC Bank, Daoud has been able to grow her business. She has recently acquired the franchise of a French organic grocery in Beirut.

“Nothing is more rewarding than working for what you believe in,” Daoud says.

A Continuing Impact
These stories, says IFC’s Schnabel, are just two of tens of thousands. They come as no surprise to her.

“Women are the next emerging market,” she says.

But reaching those entrepreneurs is not a simple process. It involves working closely with financial institutions to help them expand their programs for women-owned and run SMEs.

“The experience from WEOF gave the market confidence that other similar initiatives could also work.”

HENRIETTE KOLB, HEAD, GENDER SECRETARIAT, IFC
“These efforts are successful because of the women entrepreneurs who work tirelessly all around the world every day to change their circumstances and their communities.”

JOHN F. W. ROGERS, CHAIRMAN, GOLDMAN SACHS FOUNDATION

“We invest in and provide expertise to financial institutions, so they can provide value to and improve their bottom-line by expanding their services to women customers, especially women-owned businesses,” Schnabel says. Since the Banking on Women program launched in 2010, IFC has invested and mobilized investment in and provided expertise to over 50 financial institutions in 34 countries worldwide.

Rogers says that Goldman Sachs launched 10,000 Women about a decade ago, a global initiative that provides women entrepreneurs with a business and management education, mentoring and networking, and access to capital. He says that research at that time was increasingly clear that “the economic advancement of women drives profound economic and social benefits around the world.”

The WEOF program’s achievements have had a significant impact in proving that investing in women was good business, says Henriette Kolb, the Head of the Gender Secretariat at the IFC. She says it has helped to inspire several other initiatives.

“The experience from WEOF gave the market confidence that other similar initiatives could also work,” Kolb says.

These include: the Women Entrepreneurs Finance Initiative (We-Fi), which was launched last year, funded by G20 countries and managed by the World Bank, with a goal to mobilize more than $1 billion; the Overseas Private Investment Corporation’s global 2X Women’s Initiative, launched last month with a goal to mobilize more than $1 billion; and the African Development Bank’s Affirmative Finance Action for Women in Africa, which has a goal of mobilizing $300 million for women entrepreneurs in Africa.

“We are thrilled that we are approaching $1 billion in capital committed and the first public private partnership to attain that level of commitment to women entrepreneurs,” says Rogers. “But it is imperative that we and others continue to work to ensure that more women are able access the capital they need to grow their businesses and invest in their communities.”

Still, Kolb cautions that these new initiatives shouldn’t obscure the need for other support for women.

“It’s very positive to see this emphasis on economic participation of women, but we need to be careful not to crowd out attention to basic access to services such as healthcare and education,” she says. “We need to work to make sure women in the workplace have access to child care as well. Without improvement in childcare access, many women entrepreneurs will not be able to fully grow their businesses.”

Efforts to meet these needs are evolving, and as they do it will give added momentum to initiatives such as WEOF. The founders of WEOF believe that the resulting inclusion of women in the economic sphere will have exponential development impact in emerging market countries around the world.

“It is crucial to remember that, first and foremost, these efforts are successful because of the women entrepreneurs who work tirelessly all around the world every day to change their circumstances and their communities,” Rogers says. “These women have defied expectations, rejected limitations, and held steadfastly to their aspirations.”
Women entrepreneurs and business leaders are scarce throughout the Middle East and North Africa. IFC PERSPECTIVES talks to three remarkable women who are thriving despite the challenges.

Entrepreneurs are a vital part of the economy. They drive innovation, create jobs, and propel economic growth. But entrepreneurs, especially women, face an uphill battle in the Middle East and North Africa (MENA).

A host of factors, cultural and financial, prevent many women from starting their own companies. In MENA, just 14 percent of smaller businesses—which is where most entrepreneurs cut their teeth—are run by women. That is the second-lowest rate of any region in the world, trailing only South Asia.

Despite the challenges, an increasing number of women are defying the odds. We talk to three remarkable women whose success is paving the way for entrepreneurs across the region.
To build up its client base, Serviis offers its services free or at a nominal cost—a radical business model for the MENA region and something that often deters local investors. Alashwali’s long-term aim is to expand the service to more cities in Saudi Arabia and, ultimately, into other countries across the Middle East and North Africa. In the meantime, she is looking for investors to support Serviis’ continued growth.

“More and more young people are becoming entrepreneurs,” she says. “I see the passion and the jobs. The government is also committed to its transformation plan. I would like to see investors also contribute by increasing their appetite for risk and changing their traditional private-equity approach to investment. That would be a great contribution to the country.”

Saudi tech entrepreneur Wafaa Alashwali is the cofounder and Chief Executive Officer of Serviis, a task-management website that connects customers with service providers in four Saudi Arabian cities. Her journey to success hasn’t always been an easy one.

When Alashwali entered the business world after graduation, she faced resistance from her family, who preferred her to work in a women-only environment. When she was promoted to chief support- services officer in a construction company, she faced further opposition from many who believed the job should have gone to a man.

None of that deterred Alashwali from striking out on her own two years ago to set up Serviis, the first digital platform of its kind in the region. The website, which has 4,000 professionals and 2,000 customers on its books, draws on her HR skills to help small businesses and freelancers, especially, win work and gain new customers. To set up the company she used her savings and liquidated her pension. She also found like-minded partners, which helped greatly.

The decision was driven partly by Saudi Arabia’s changing economy as oil prices tumbled. “I’d completed 10 years of my professional journey and felt very grateful for what I’d achieved but I wanted to do something that had a positive impact,” says Alashwali. “A lot of companies were laying off people and it became very clear that we were moving into a different era. We needed to change the way we worked.”
Ibtikar is a landmark start-up tech fund set up in 2015 in the West Bank and Gaza, and run by Mexican-American Ambar Amleh. It does business under some of the toughest conditions in the world.

On the day the fund was to be registered in the Netherlands, its main lawyers pulled out, citing its potential investments in Gaza. That set back the whole enterprise by six months and several thousand dollars.

The successful launch of the Ibtikar Fund says much about the dedication and determination of Amleh, who tends to see opportunities where others see obstacles.

Before she cofounded Ibtikar, Amleh worked as a manager for Palestine for a New Beginning, a non-profit organization focused on expanding economic opportunity in the area. “I realized the future of Palestine is in its youth,” she says. “These young innovators are not bogged down by the challenges. They’re working very hard to build their companies for the region and the world, and that’s incredibly motivating and hard not to support.”

Ibtikar has invested in Rocab, a taxi-booking platform; Mashvisor, a real-estate investment service; and RedCrow, which provides real-time data on security threats, armed clashes, and road blocks in volatile countries.

IFC’s $1 million equity investment in the fund in 2016 was a big boost to Ibtikar. It helped fill a critical funding gap for entrepreneurs in the West Bank and Gaza. “So far, we’ve invested in 19 different companies. We support them and mentor them, make sure they have good governance, and try to ensure as few barriers for investors as possible. Six of them are about to raise Series A funding now,” Amleh says.

Amleh says it’s important to change preconceptions about the territory. “I’d like Palestinian entrepreneurs to be considered like any other entrepreneur in the region,” she says. “While there are additional challenges due to our political situation, we are overcoming them, and our companies are succeeding in building great regional and global companies.”
Mehyar now heads a workforce of about 400 employees. She says the role has definitely had its challenges. Bringing women into the logistics sector—and to work in general—she says, requires constant mentoring of both genders to help with skills like communication, teamwork, and collaboration. “Introducing women in such industries also needs a culture change from within the organization to ensure sustainability and growth,” she says.

Mehyar’s aim is to expand Nafith further and take its expertise into other countries, where she will continue to encourage more women to join the sector.

“Women have untapped potential in logistics, and I think they can bring a new perspective to the table,” she says. “We need both men and women in the corporate space, and we need to welcome diversity of thought, rather than resist it.”

Delivering Opportunities for Women
Nourah Mehyar, Nafith Logistics

Nourah Mehyar, who heads up Jordan’s Nafith Logistics, is a woman who can climb mountains—literally. Just over a year ago, she climbed Mount Kilimanjaro, Africa’s highest peak. Determination and perseverance, as well great teamwork, got her to the top.

In an industry dominated by men, Mehyar is one of the region’s most successful entrepreneurs. But she has had her share of career-related mountains to climb. Her determination to integrate and promote women in Iraq’s logistics industry earned her the Multilateral Investment Guarantee Agency’s first Gender CEO Award. The award honors outstanding leaders for their commitment to gender equality in a challenging environment.

“Most of the time you’re sitting in a meeting where you are the only woman,” she says. “In the beginning, we only had three women out of 250 employees. Since 2008, we’ve managed to introduce women in several sectors—IT, finance, and HR—but my biggest accomplishment was to actually introduce women in operations.”

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Nafith’s groundbreaking work in Jordan, where the company began, led to a $5 million equity investment from IFC in 2014. This enabled the company to take its expertise to Iraq, where its systems help manage freight at four major Iraqi ports. The company now deals with 3,500 truck moves in Jordan and 1,500 in Iraq daily, amounting to more than 50,000 logistics transactions every day.