



ASPEN NETWORK  
OF DEVELOPMENT  
ENTREPRENEURS

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# ACCELERATING INVESTMENT INTO WOMEN-LED ENTERPRISES:

## Comparative Evidence from Two Rounds of Intermediary Grantmaking in the SGB sector

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## INTRODUCTION

The Aspen Network of Development Entrepreneurs (ANDE) launched the Advancing Women's Empowerment Fund (AWEF) in 2019 with support from the Visa Foundation and the United States Agency for International Development (USAID). AWEF falls under ANDE's broader Gender Equality Initiative, which is a collective impact initiative for a variety of stakeholders to find new and more effective ways of supporting women's equality in the small and growing business (SGB) sector and the intermediaries that support them as leaders, employees, and consumers in developing economies.

According to the [International Finance Corporation \(IFC\)](#), women-led SGBs around the world face hurdles in accessing finance, resulting in a financing gap of nearly USD 320 billion in developing economies. ANDE's research into accelerator performance, through its [Global Accelerator Learning Initiative \(GALI\)](#), shows that acceleration programs do not fully solve the financing gap: after participating in an accelerator program, women-led ventures raise an estimated average of over USD 90,000 less in equity financing compared to men-led ventures.<sup>1</sup>

The goal of AWEF-funded projects is to contribute meaningfully to addressing the gender financing gap for women-led SGBs<sup>2</sup> in developing economies. The first round of grantmaking, AWEF I, funded eight entrepreneur support organizations (ESOs) providing support to women entrepreneurs in Cambodia, Vietnam, Myanmar, the Philippines, Pakistan, and India, as well as programs serving the region as a whole. The second round of grantmaking, AWEF II, funded three ESOs working across the Sub-Saharan African region.

► TABLE 1 - AWEF I AND II PROJECTS<sup>3</sup>

GRANTEE	COHORT	GEOGRAPHY	TYPE OF INTERVENTION
<b>Aequalitas Capital Partners</b>	AWEF II	Nigeria	Research, financing models, workshops
<b>Bopinc and One to Watch (OTW)</b>	AWEF I	Myanmar	Accelerator program
<b>Inkomoko</b>	AWEF II	Kenya, Rwanda	Accelerator program
<b>Miller Center for Social Entrepreneurship/ CaterpillHERs</b>	AWEF I	Pakistan	Accelerator program
<b>MIT D-Lab</b>	AWEF I	India	Accelerator program, investor engagement
<b>Property Point</b>	AWEF II	South Africa	Accelerator program, investor engagement
<b>SHE Investments</b>	AWEF I	Cambodia	Accelerator program, investor engagement
<b>Value for Women</b>	AWEF I	Southeast Asia	Technical assistance, research
<b>Village Capital</b>	AWEF I	India	Accelerator program, investor engagement
<b>Villgro Philippines</b>	AWEF I	Philippines	Accelerator program
<b>Women's Initiative for Start-ups and Entrepreneurship (WISE)</b>	AWEF I	Vietnam	Accelerator program, investor engagement

<sup>1</sup> Based on a global dataset of ventures from over 160 countries. For more information, please see: <https://www.galidata.org/publications/accelerating-women-led-startups/>

<sup>2</sup> Women-led SGBs or women-led businesses are defined by ANDE as companies that have a woman in a leadership position with strategic decision-making authority and meet at least one of the following criteria.: founded by a team of at least 50% women; have a woman currently serving in a top leadership role (CEO, Executive Director, COO, etc.); 51% or more women ownership

<sup>3</sup> A detailed report on AWEF I projects and results can be found at: <https://andeglobal.org/publication/accelerating-gender-outcomes-evidence-from-andes-advancing-womens-empowerment-fund/>

This learning brief summarizes lessons learned across both AWEF cohorts. AWEF grantees had similar experiences across two different regions (Asia and Africa) and different time periods, specifically regarding the types of programming that work best for women entrepreneurs. This suggests that women entrepreneurs face similar barriers to investment across different geographies and that the solutions and programmatic adjustments to address these challenges can be similar as well.

## COMPARATIVE DATA AND LEARNINGS

The AWEF I and II cohorts saw increased investment compared to the baseline investment amounts into women-led SGBs in their cohorts. It should be noted that there were three grantees in AWEF II compared to eight in the AWEF I cohort. A larger second cohort would have provided more representative data for comparison.

► TABLE 2 - INVESTMENT PERFORMANCE DATA

	AWEF I COHORT	COMPARATIVE INVESTMENT PERFORMANCE DATA (GALI) - ASIAN REGION	AWEF II COHORT	COMPARATIVE INVESTMENT PERFORMANCE DATA (GALI) - SUB SAHARAN AFRICA REGION
<b>Average investment (baseline)</b>	<b>USD 53,836</b>	USD 7,657	<b>USD 6,373</b>	USD 14, 137
<b>Average investment (endline)</b>	<b>USD 96,712</b>	USD 15,229	<b>USD 8,286</b>	USD 23, 763
<b>Percentage change from baseline</b>	<b>80%</b>	50%	<b>30%</b>	68 %
<b>Number of enterprises</b>	<b>70</b>	33	<b>141</b>	96

**Note** – Businesses were asked to report any investments made into their businesses prior to their involvement with the program. Endline investment data is reported by enterprises 3-6 months after completion of the program.

Compared to AWEF I, the AWEF II cohort reported lower average investment at the program endpoint. This is in part due to the lower overall pre-program investment rate for the AWEF II cohort – for example, only 25 percent of the Rwandan entrepreneurs in Inkomoko's project had been able to access finance prior to the program. This may reflect differences in funding availability, preparedness, or investor preference across different regions.

To compare these outcomes to other women-led businesses receiving acceleration support, [GALI's benchmarking tool](#) was used to generate aggregate average investment for women entrepreneurs working in Sub-Saharan Africa, East Asia, the Pacific, and South Asia. The AWEF I cohort outperformed similar peer organizations in the Asia region, while the AWEF II cohort, while experiencing a positive change in investment, did not generate comparative results to other accelerated women-led businesses in Sub-Saharan Africa. This may be in part because the AWEF cohort businesses are operating in a pandemic context, with inflation and other destabilizing macroeconomic factors, as opposed to the GALI data which were collected pre-pandemic.

Table 3 further compares the total average investment performance across AWEF I and II cohorts with the GALI benchmark data. While the average investment at baseline and endline is higher for the AWEF cohorts, the percentage increase in investment is also slightly higher at 70 percent, compared to 67 percent for GALI. This is a positive finding for gender-centered programming, suggesting that programs designed to address needs of women entrepreneurs may have an advantage over those with a one-size-fits all approach. However, additional research is needed to fully understand the causal relationship between programming choices and outcomes for women-led ventures.

► TABLE 3 - TOTAL AWEF PERFORMANCE

	AWEF I AND II COHORTS	GALI BENCHMARK
<b>Total average investment (baseline)</b>	USD 22,931	USD 14,239
<b>Total average investment (endline)</b>	USD 38,992	USD 23,793
<b>Percentage change from baseline</b>	70%	67%
<b>Number of enterprises</b>	211	244

**Note** – Businesses were asked to report any investments made into their businesses prior to their involvement with the program. Endline investment data is reported by enterprises 3-6 months after completion of the program. The GALI comparison data comprises women-led enterprises from Latin America, South Asia, and Sub-Saharan Africa.

The positive changes in investment among women-led SGBs supported by AWEF I appear to have continued post-program as well. When ANDE reached out one year after the completion of AWEF I programs, five of the partners (MIT D-Lab, Villgro Philippines, WISE Vietnam, Village Capital, Upaya) reported that SGBs that had participated attained additional investment after the endline period, in the forms of equity, grants, and working capital loans.

Both AWEF cohorts noticed immediate changes in investment-seeking behavior after women entrepreneurs completed the programs, though some of the changes were not what AWEF grantees expected. Most AWEF programs in both regions provided some form of financial literacy education. After women entrepreneurs gained more confidence and knowledge in financial management, some decided not to pursue external investment or take on additional debt. This indicates that increased preparation for receiving investment does not necessarily encourage women to seek additional financing immediately, but rather that women entrepreneurs are able to make more appropriate investment decisions and select the type of financing that is more aligned with their business needs. While this outcome does not directly address the barrier to investment for women-owned enterprises, it reveals that at least in this case, the sector's perceptions of women's barriers and needs may reflect women entrepreneurs' lack of knowledge of their options rather than a lack of confidence in engaging, or lack of access to, outside investors.

Both AWEF cohorts also noted that customized 1:1 support was essential to women-led businesses. Property Point, Inkomoko, SHE Investments, and Villgro used high-touch personalized support for the women-led businesses in their cohorts. These personalized support sessions created space for women entrepreneurs to address specific challenges in their business's investment readiness while growing their confidence and attaining assurance that the investment vehicle they are pursuing is most appropriate for their business.

Coaching and capacity-building sessions, specifically on financial literacy, also helped to increase women's confidence in applying for investment. According to South African-based Property Point, confidence is directly tied to financial literacy for women entrepreneurs. Confidence in oneself and one's business is critical for women entrepreneurs to make strong investment pitches.

## TAKE-AWAYS FOR ENTERPRISE SUPPORT ORGANIZATIONS

Drawing on learnings from both cohorts, it reinforces what is known, but not always prioritized, in the sector. Entrepreneur support programs work best to help women-led enterprises attain financing when they:

► **Emphasize financial literacy and investment readiness in training and capacity building.**

Many women-led enterprises need support in routine business matters such as financial compliance, creating a business plan, or understanding bookkeeping strategies. These components must be in place and strengthened before a business can be considered for investment. Subsidizing technical assistance is critical and addresses a common barrier that women-led enterprises face around being investment-ready.

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*Overall, at the early stages, these women don't have the resources to hire high-quality accounting and technical experts....the paperwork side is a huge barrier to investment readiness. By the end of the program, 80-88 percent of the cohort have their basic finances and records in place. This plays a huge role in their ability to access capital.”*

VILLGRO, PHILIPPINES

► **Match women entrepreneurs with 1:1 coaching or business development consultants.**

In-person sessions work best to help women business owners boost their confidence and understanding of the different financing tools they may access. The entrepreneurs in these cohorts benefited from in-depth coaching across different topics relevant to their specific sectors. Coaches or mentors should ideally be experienced in the particular industry in which a woman entrepreneur operates.

► **Ensure that training programs have a gender lens and include gender-focused content.**

It is key to discuss with women entrepreneurs the types of biases that they may face when approaching investors, delivering investment pitches, or assessing financing processes, to prepare them for navigating these likely barriers.

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*D-Lab moved away from gender-neutral design to embrace women-centered content. This lens led D-Lab to include a series of themes and develop a joint language to discuss them; themes like time poverty, explicit and unconscious bias, access to networks, and more.”*

MIT D-LAB, INDIA

► **Intentionally help match suitably pre-screened women-led enterprises with investors.**

ESOs can facilitate deal flow by acting as a matching agents for women-led businesses. Investors frequently state that they do not have an adequate pipeline of women-led businesses in which to invest. ESOs can help boost an investor's confidence in a business by conducting initial due diligence in their referrals, and only recommending appropriately screened businesses for investment.

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*We are working with the businesses (and) looking at all aspects of that particular business, which does give us an insider's view to pick up on some of those early warning signals [that a business might fail]. We believe that fundamentally the work we do does help mitigate that risk for all stakeholders...we can provide that back office support.”*

PROPERTY POINT, SOUTH AFRICA

## MOVING FORWARD

As highlighted in ANDE's [Accelerating Gender Outcomes: Evidence from ANDE's Advancing Women's Empowerment Fund](#) report, programs for educating investors on unconscious gender bias in their financing strategies are an untapped opportunity. While investment readiness programs are essential for women entrepreneurs, these programs address the “supply” side of the gender financing gap by ensuring that women-led SGBs are prepared for finance. They do not address the “demand” side of the problem by helping investors unpack unconscious gender bias in their financing strategies.

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*One of the key lessons...is the need to train and educate the capital providers on the needs of the women entrepreneurs as well as recognizing unconscious biases that exist within investor processes and systems, as well as individual investors. The majority, if not all, initiatives today focus on changing the mindset, behavior, and knowledge of women entrepreneurs”*

VILLGRO, PHILIPPINES

Organizations can help change mindsets and investor behavior through targeted gender lens technical assistance, introducing different types of financing tools, and providing gender lens investment training to financiers.

In terms of continuing to enhance ANDE's re-granting programs, representatives from the AWEF II organizations echoed similarly positive feedback as the AWEF I cohort, including an appreciation of the learning-focused approach, flexibility, and support that was provided to their teams and projects. While some collaboration was facilitated by ANDE among the grantees, they continue to request peer learning opportunities between and among their cohorts. Moving forward, ANDE is also planning to integrate field visits into its grantmaking programs, budget permitting. Since COVID-19 pandemic-related travel and social distancing restrictions are being relaxed worldwide, grantee site visits are now possible, if built into the project budget from inception.

ANDE continues to refine its support for the growth of women-led SGBs through relevant membership, programmatic, and research work, and incorporates learning from its projects as part of its continuous improvement efforts. In 2023, ANDE will conclude three additional gender-focused grantmaking programs and will be able to share learning from those projects, in addition to the learning from this re-granting project, back into the broader ecosystem. ANDE utilizes a range of mechanisms to achieve this - through thematic and more general convenings at country, regional and global levels, via social media, and through one on one engagement with members, partners, and other ecosystem stakeholders.

# Acknowledgements

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## ABOUT ANDE

**The Aspen Network of Development Entrepreneurs (ANDE)** is a global network of organizations that propel entrepreneurship in developing economies. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs create jobs, stimulate long-term economic growth, and produce environmental and social benefits. ANDE is part of the Aspen Institute, a global nonprofit organization committed to realizing a free, just, and equitable society.



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For more information about this brief, please contact **Mallory St. Claire** at [mallory.stclaire@aspeninstitute.org](mailto:mallory.stclaire@aspeninstitute.org)

For more information about ANDE's gender work, please contact **Kendahl Tyburski** at [kendahl.tyburski@aspeninstitute.org](mailto:kendahl.tyburski@aspeninstitute.org)