



GRAÇA MACHEL TRUST

# GENDER LENS INVESTING



## INVESTMENT FUND AND ACCESS TO FINANCE

Afrishela is the Trust’s incubated Investment Fund that is driving innovative blended capital to early growth stage women-owned and led businesses. The Fund is designed by African women for African women. Afrishela will seek to facilitate the flow of capital to women-led enterprises with gender and climate aligned solutions to create a positive impact for women in the form of job creation, increased leadership, and greater income equality, ultimately leading to improved economic and social well-being in African communities. The Fund will operate in sectors where women are prevalent to increase their power and influence and elevate those in male dominated sectors. Our initial focus is a \$30 million gender lens investment vehicle centred on East and Southern Africa.

## HOW WE ADDRESS FUNDING CHALLENGES FACED BY WOMEN ENTREPRENEURS

Access to capital continues to be the number one barrier faced by African Women Small and Medium Businesses (The World Bank, 2013) with the gender financing gap as measured by the 2017 IFC MSME Finance Report standing at \$42 billion for Small Medium Enterprises in sub-Saharan Africa (SSA). Many women businesses are caught in the ‘missing middle’ and “often classified as too big or unsuitable for microfinance, too risky for banks and too small for private equity” therefore left out of financing opportunities.



*According to IFC’s 2019*

*Gender Diversity Study, female deal partners invest in almost twice as many female-led businesses as male deal partners, and fund managers with diverse leadership teams, including female partners, tend to have more diversified portfolios of investees.*

## AFRISHELA SOLUTIONS



Customised and innovative alternative products for the missing middle including the application of alternative credit risk assessment process that considers women’s limited access to collateral to increase access to risk capital for early growth stage women businesses.



Provision of post-investment technical assistance alongside investment capital to drive value creation and impact outcomes.



Contributing to the advocacy agenda around the allocation of more capital to women fund managers, increasing female representation in capital-allocation decision making roles and channelling capital to women owned businesses.



**OUR INVESTMENT APPROACH**

We employ the use of blended finance by providing post-investment technical assistance and investment capital, applying a gender lens in the investment process, employing a milestone-based approach to investing.

We target the missing middle entrepreneur segment by focusing on early growth stage women-owned and led businesses with robust and scalable models, providing innovative, responsive financing through mezzanine structures.

We target businesses with robust and scalable models, gendered solutions, processes, and policies operating in a variety of growth-oriented sectors. Our deal sizes range from \$20K - \$500K with an average of \$300K.

**OUR SCALING AMBITIONS**

Afrishela has identified over **150 African women-owned businesses** and we have identified 5 proprietary deals for co-investment. We continue to screen deals to proactively build a portfolio of women owned and led investee companies.

**PAST AND CURRENT PARTNERS**



*Join us as we invest in innovative growth stage women owned and led businesses that are working on gender smart and climate adaptive solutions that improve the lives of women and support the environment.*

