

Growing the Gender Lens Investing Landscape in the Middle East and North Africa

CASE STUDY:
AN OPPORTUNITY FOR THE EGYPTIAN MARKET



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About This Learning Brief



This Learning Brief was developed on the initiative of the SANAD Technical Assistance Facility (TAF) following research conducted by Aman Enan and Alexander Reviakin.

About the SANAD TAF:

Managed by Finance in Motion, the SANAD TAF works alongside the SANAD Fund for MSMEs that works closely with partners of the fund to conduct projects that equip the fund's beneficiaries with the knowledge and tools needed to best serve – and improve the potential of – entrepreneurs in the Middle East and North Africa (MENA). The TAF also develops the capacity of the financial sector across the region through its network of investees. Increasing economic opportunities and equity for female entrepreneurs in the MENA region is core to the TAF.

Acknowledgements:

This learning brief was written by Amal Enan and Alexander Reviakin and was informed by the review of FinTech Egypt, interviews with international, regional and local investors and case study inputs from women-led businesses in Egypt. This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.



Acronyms

| | |
|---------------|--|
| GLI | Gender-Lens Investing |
| GLEF | Gender Lens Equity Funds |
| VC | Venture Capital |
| PE | Private Equity |
| AUM | Assets under Management |
| SDGs | Sustainable Development Goals – refers to the United Nations' SDGs to 2030 |
| YoY | Year-over-Year |
| DFIs | Development Finance Institutions |
| LAC | Latin America and the Caribbean |
| IFC | International Finance Cooperation |
| EBRD | The European Bank for Reconstruction and Development |
| HSBC | The Hongkong and Shanghai Banking Cooperation Limited |
| CIB | Commercial International Bank |
| MSMEDA | Micro, Small and Medium Enterprises Development Agency |

"Gender Lens Investing is the best silver bullet we have at hand"
– UNIDO

USD28 trillion would be added to the global annual GDP by 2025 if women played an identical role to men in the labor force. The United Nations Industrial Development Organization (UNIDO) estimates an investment capital between USD5-7 trillion required to address this critical challenge. While the gender pay gap is well-known - women make 80 cents to every dollar a man makes - the gender investment gap is less visible.

What is Gender Lens Investing?

The term Gender Lens Investing was coined in 2009 by the Criterion Institute. Since then, around USD11.4 bn have been mobilized towards gender lens investing [1].

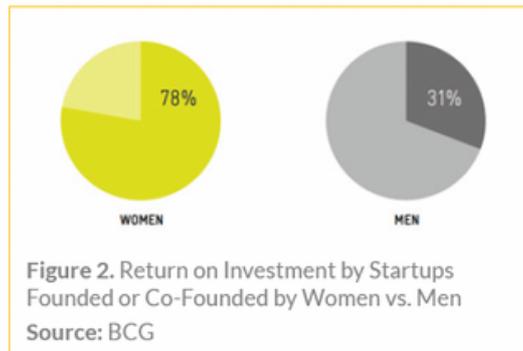
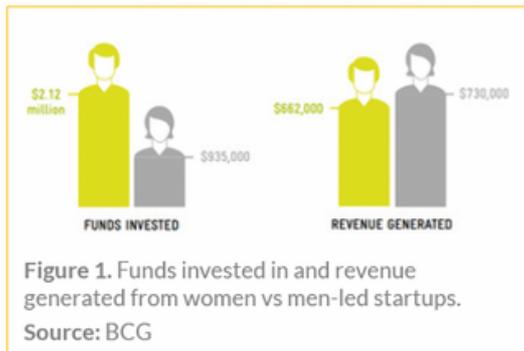
Gender Lens Investing refers to an investment approach or strategy that takes gender into consideration across the entire investment process. It recognizes that certain activities can advantage or disadvantage a certain gender and aims to advance gender equity within the investment space and ultimately generate better informed investment decisions.

The Global Impact Investing Network (GIIN) defines gender lens investing under two broad categories [2]:

1. **Investing directly to promote gender equity and address gender issues** which entails directly investing in women-led ventures, investing in ventures that promote workplace equity, or investing in ventures that offer services or products that improve the standard of living of women.
2. **Using the following tools** to better investment decisions:
 - i. Integrating a *process* that focuses on gender from sourcing to exitingOr
 - ii. Developing a *strategy* that examines a potential or current investee's vision to address gender issues, including their organisational structure, internal policies, use of data for gender-equitable management to incentivise workplace behaviour, and/or the commitment to gender equality regarding the financial and human resources.

Why is it important?

Gender equality is a fundamental human right, and promoting gender equity is an economic opportunity. Increasing women's economic participation drives the growth of the entire economy and equal participation can boost global annual GDP by 26% [3].



In 2018 Boston Consulting Group (BCG) and MassChallenge conducted a study to analyse the differences between companies led or co-led by women and those co-led by men. 350 companies participated, 258 of which were founded by men and 92 were founded or co-founded by women. [4] Figures 1 and 2 above show that although women-led enterprises were underfunded by 44% compared to male-led enterprises, they generated 1.1x the revenue generated by male-led startups, and achieved a higher return on investment by 47%. **Overall, companies with women in senior roles repeatedly outperform companies with no women in executive management.** On the macroeconomic level, studies have shown that economies with higher representation of women entrepreneurs are more financially resilient and experience less economic downturns. [5] [6].

Representation also generates representation. Research shows that women-led startups employ 2.5X more women which means that they are able to secure talent from a larger pool and create more diverse teams [7]. Studies have repeatedly shown that diverse workforces have higher employee retention and foster higher levels of employee motivation and engagement. With more women in the workforce, the overall purchasing power of women grows, ultimately creating more services or products that meet the needs of women.

In summary, investing in women-led or co-led businesses strengthens the economy, ensures higher revenues and more financial stability for the company, creates more employment opportunities for women, and achieves higher returns for shareholders.

Globally, women are still facing barriers to launch their own businesses with clear disparity in entrepreneurship between men and women. Some of the key barriers women face include [8]:

| Financial | Legal | Social | Cultural |
|---|--|---|---|
| Gender-based bias from investors and lenders, low financial literacy levels, and a largely male-dominated investment network. | Laws in 108 economies prevent women from opening a bank account, accessing credit, and registering a business. Moreover, 30% of countries restrict women's freedom of movement | The burden of paid work and unpaid care, gender-based discrimination in the workforce, traditional gender roles and stereotypes that hinder women from entering or growing in the workplace, male-dominated business sectors, all make it difficult for women to launch and operate a business. | Lack of access to education or technological advances, behavioural challenges including imposter syndrome, fear of judgement, lower confidence levels, limited professional networks and higher risk awareness. |

Globally, the World Bank estimates that the unmet financing need of women-led businesses is more than USD1.5 trillion translating into more than 1.1 billion women and 70% of female-led SMEs remaining unbanked. The average loan size for women-led businesses was 31% lower than of male-led businesses [9].

There is however development within public and private markets to allocate capital towards gender lens products. There were only five gender-lens strategies in public markets between 1993 – 2012. The number has since increased to 30 gender-lens strategies launched between 2013 – 2018, bringing USD2.4 bn investments in gender lens products to the market [10]. By the end of 2020, asset growth in GLI products reached USD11 bn, growing by 358% from 2018 levels [11]. According to Parallele Finance, publicly traded gender-lens equity funds totaled USD4.8 bn in Assets under Management (AUM) as of September 2022 [12].

Despite the growth in deal value in the US startup ecosystem in 2020, female founders' share declined: overall VC investments grew by 16,% while female-led businesses received less investments with a decrease by 3% in VC dollar and a 2% YoY decrease. [11] In 2013, 8% of VC investment dollars went into startups with at least one female founder, 6 years later in 2019 the number only increased to 9% [13]. One of the explanations of this persisting gap is the lack of female representation in VCs and investment management firms.

Gender diversity in the investment management industry is very limited with only 4% of women in leadership positions. 6% of VC partners are women, 3.4% of private equity asset managers are women, 4% of hedge funds managers are women, and 2% of mutual funds are managed by women.[14] Studies have shown that female fund managers are twice as likely to invest in startups co-founded by women, and three times as likely to invest in female CEOs. [15] It is estimated that if we continue at this pace, it will take 200 years for women fund managers to achieve equal status to their male counterparts.

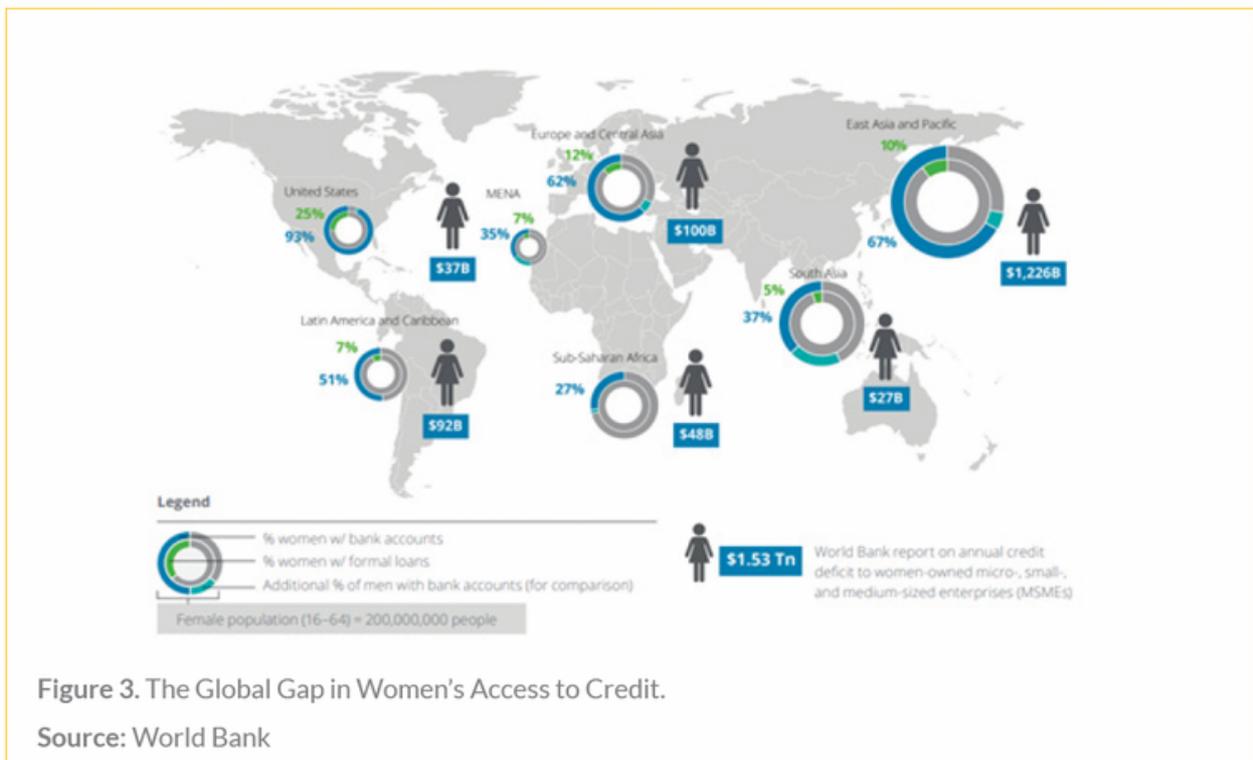


Figure 3. The Global Gap in Women's Access to Credit.

Source: World Bank

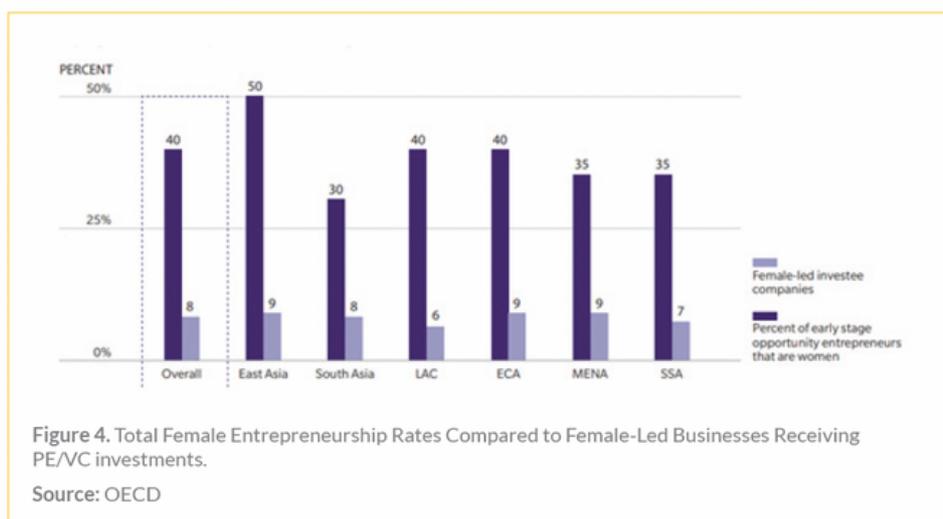
The gender gap holds true for the MENA region. MENA has one of the lowest female employments rates with only 19.7% of women participating in the labor force. The informal market is one of the MENA region's biggest challenges, and 62% of women are informally employed. This translates into lower paid jobs, longer working hours, reduced social or legal protection, and a lack employment benefits [16].

Social norms are particularly pronounced in the MENA region which further limits female participation in the workforce. According to an OECD survey, the vast majority of the male population in the MENA region believe that a woman's primary role is to care of the household with 87% of men in Egypt and 72% of men in Morocco holding this view [16].

Female Representation in the Startup Ecosystem

Female leadership positions in VC and PE in emerging markets are limited with the most significant gaps in the MENA region where only 7% of VC and PE senior investment professionals are women. This shapes the ownership structure of firms in the MENA region where female participation in business ownership stands at 23%, compared with 64% in China, 45% in LAC, and 40% in East Asia (excluding China) [17]. Overall, the region has the lowest representation of female-owned SMEs at 12-15%, and 55% of them have no access to credit [18].

In 2019, 5.1% of total VC funding went to female-led startups in MENA. Though the number is still limited, it is double the figure of the United States where only 2.8% of funding went to female-led startups [19].



Only 25% of PE/VC portfolio companies in the MENA region were gender balanced in terms of senior leadership, the rest were either all-male or male-dominant. In comparison to emerging markets, the MENA region is higher by 6% in which gender-balanced teams were an average of 19% [17]. Still, more efforts are needed to achieve gender balanced teams.

The World Bank estimates that if the female labor participation rate matched that of males, the GDP in Egypt would increase by 34% [20].

Gender Gaps in Egypt

The female labor participation rate in Egypt in 2021 fell to 15%, lower than the region's average of 19%. Of the females in the labor force, only 18% are employed by the private sector [20]. In fact, female unemployment has been growing and reached the lowest value of female labor participation after the COVID-19 pandemic in 2021. The pandemic disproportionality affected women in Egypt and around the globe. McKinsey estimates that women's jobs are 1.8X more vulnerable to crisis than men's jobs, and women were more likely to work in a sector that was shut down during the lockdown and overall, more likely to have lost their jobs [21].

In 2021 it was estimated that 71% of the women in Egypt's labor force are economically active in the informal sector. The informal sector subjects women to an array of volatilities and vulnerabilities including low wages, no job security, social security, health insurance and legal protection [22]. Furthermore, women in Egypt get paid 34% less per hour than their male colleagues [20].

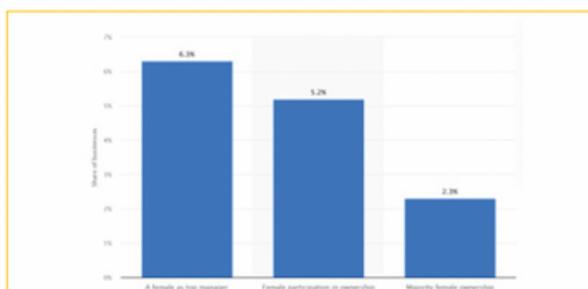


Figure 5. Share of Firms with Women in Ownership or Leadership Roles in Egypt, 2020.

Source: Statista

In senior leadership, we see much lower representation of female executives and managers. Only 6.3% of women in Egypt are top managers, 5.2% participate in business ownership, and a mere 2.3% have majority ownership [23].

Women are expected to be more involved in unpaid household and care work with 87% of men in Egypt considering that to be a women's primary role [24].



Starting the dialogue on GLI in Egypt

Women have been largely underrepresented and underfunded in the entrepreneurial ecosystem in Egypt. While the percentage of female entrepreneurs has been growing, from a mere 3% in 2010 to 10% in 2017, the gap is still wide. [25] When compared to African countries, Egypt ranked as one of the lowest countries with female entrepreneurs in 2021.

Recognizing this is a missed opportunity for Egypt and the region, we decided to take a deeper dive into this overlooked market to uncover the factors limiting its growth. We conducted three roundtable discussions with **female founders, investors, accelerators, and ecosystem enablers**. The purpose of the roundtables was to open a dialogue among the players in the market and identify actionable interventions for advancing gender lens investing.

We found that despite the rise of female entrepreneurship in Egypt, women are still facing challenges when starting their own businesses. Studies have shown that some of the main challenges are [25] :

- Limited educational background
- Lack of training opportunities
- Limited knowledge of marketing and sales
- Legal constraints and added legal requirements to start a business owned by a woman
- Cultural and social norms
- Lack of access to finance
- Less affordable financing options (less than 10% of women-led businesses access commercial bank financing despite evidence globally and locally that women have higher repayment rates and lower default rates.



Roundtable 1: Women-led Startups' Access to Finance

Recent developments are stepping up to meet the financing needs for women entrepreneurs in Egypt; most prominent of which include:

- Leading commercial bank HSBC announcing the launch of a Female Entrepreneur Fund in May 2022 worth USD1 bn to finance female-led businesses in 11 markets including Egypt,
- EBRD allocated USD5M under the Women in Business Program to expand access to finance for women-led SMEs,
- EBRD and CIB allocating a senior debt facility of USD20M dedicated as lending services for SMEs led by women [26].

However, the funding gap remains large and the discussions from our roundtables shed light on more revelations. We found that gender biases persist in the funding process. Some female founders report that they get asked gender-related questions by investors including how much they would be committed to the business or questions regarding their family situation. Female entrepreneurs are expected to be aggressive to be taken seriously throughout the fundraising process. In fact, one research study analyzed 189 questions and answers addressed during fundraising and unveiled that male and female entrepreneurs get asked entirely different questions including that men usually get asked on how they would be able to grow their plans, while women get asked how much it will take them to breakeven. According to a report by Wamda, female founders began seeking out fundraising from VC firms with women at the table, pointing out that Flat6Labs which has at least one female executive had the most investments into female startups in November 2021 [27].

During the roundtable on women-led startups' access to finance, we found that although female founders tend to wait until they are over-prepared for investors' meetings in comparison to their male counterparts, they are not confident enough to approach an investor. The reasons are twofold. Female founders often experience inappropriate questions during the due diligence process, including on potential pregnancies and marriage plans. One female founder summarised her experience: 'When I am presenting a clear business plan, it is unprofessional and unnerving to be interrogated about my personal life'. In Egypt female founders are also subject to cultural norms and stereotypes about the primary role of a woman. The scarcity of female-led businesses in the country make it more difficult to approach the investors and the largely male-dominant industry. Female founders explained that even though at many times they make good connections with female associates or principals at VC or PE funds, the decision makers are ultimately men.

More findings show that one of the biggest barriers for female founders in accessing finance is the predominant 'bro-culture' within the startup ecosystem, also common and stronger in the Middle East. Very often investors and male founders meet at events held late in the night or in venues which are usually not accessible for women. Some of the solutions suggested by female founders to overcome this hurdle is to build strong connections with male founders who eventually become the ambassadors of the women-led startup and vouch for female founders not in the room.

While the suggested solution could help female founders who are able to build strong connections with male founders, more deliberate action is needed to ensure inclusion of all female-led businesses and lower barriers to entry for women entrepreneurs.

Furthermore, women entrepreneurs who suffer from any personal setbacks including illnesses and disabilities experience even more difficulties during fundraising, finding that women are looked down upon when they show any sign of 'weakness', frowned upon in an investment industry usually characterised as macho. Women entrepreneurs who happen to be mothers also suffer from another set of misconceptions about their seriousness towards their business. One female founder called for "normalising babies crying in the background during investors' meeting and not deeming this unprofessional. [...] As mothers, we have a responsibility towards our families, but we are also handling our business with all seriousness".

On a positive note, female founders of businesses more than three years old explained that recently the ecosystem has been accommodating for more female founders with some VCs allocating a percentage of their funds to support female-led businesses. Still, the ecosystem has a long way to go to widen access to finance for female founders.

Overall, participants of the roundtable discussions agreed that investors look for return on their investment far more than they seek diversity in their portfolio which encourages female founders to create an investable business with a strong value proposition and good product-market fit. Yet, even with strong business models and proven higher returns, female founders in Egypt generally face more obstacles throughout the fundraising process.



Roundtable 2: Investors- Closing the Gap

Following the founders' roundtable discussion, several regional investors met to discuss closing the gender financing gap in Egypt and paving a way for gender smart investing. Investors discussed the difficulty of sourcing investable female-led companies that are tech-enabled and building products or service that can be commercialized. They commented that many of the female-led companies they come across are good businesses but not for a VC, in terms of scalability, technology, and return on investment. However, investors agreed on the need to look beyond their networks, admitting that most of their pipelines are by referrals which limits potentially reaching a female-led business that hasn't been through any VC or incubator before. Matchmaking and raising awareness on the VCs in the market and the female founders ready to raise funding become an evident area where significant progress is needed.

Understanding the biases while building a pipeline is another way investors can implement a gender lens strategy. Some of the biases appear during the due diligence process. Female founders see a distinction between regional and global investors, and, following their due diligence experience with local and regional investors, they now choose to go for global investors who they find carry less cultural biases. Moreover, female founders reported that they get asked different questions than their male counterparts. Investors are encouraged to streamline the questions asked to evaluate the business and the founding teams' credentials irrespective of their gender. Here, investors can work to address their own biases as well as diversify their teams to build a more robust and efficient investment process.

Female founders in Egypt report feeling a lot more comfortable with female investors. Investment teams that promote women investment professionals on their teams benefit from access to more diverse pipelines and increased chances of higher returns. Furthermore, investors can provide a more conducive environment and supportive communication tactics for female founders to discuss their business with confidence. Male founders are known to be good at selling their businesses even if their performance is not as attractive while women tend to be more risk aware and take more time to perfect their business models before they reach out to investors.

Gender smart investing clearly demonstrates a viable opportunity for capturing an overlooked market and enhancing returns. Investors can incorporate elements of gender lens investing to bridge the financing gap by revising their investment strategy, firm policy and/or portfolio construction. Investors can integrate GLI strategies in the following ways [28]:

► **Setting a strategy**

Identifying a clear gender lens strategy prior to sourcing and deploying funds. There are five backed gender smart investing strategies that fund managers can choose to deploy: 1) investing in startups with female leadership (founder/co-founder/gender-balanced leadership team), 2) investing in startups with a gender diverse and equitable workforce, 3) investing in companies committed to a gender-inclusive value chain, 4) investing in companies offering a product or service that considers the needs of women as a consumer segment, 5) investing in companies that are committed to ensuring their operations do not harm women in the community.

► **At a firm level**

Fund managers can: 1) strive to create a gender-balanced workplace by attracting, retaining and promoting female talents, 2) establish goals on diversity and inclusion within the firm firm, setting clearly communicated targets and a leadership accountability process, 3) committing publicly on gender diversity, 4) measuring and reporting on progress.

► **At a portfolio level**

Fund managers can adopt strategies in deal origination and portfolio management:

Pre -investment: During deal origination, fund managers and their teams can diversify sourcing channels to expand their network and reach different startups and also screen startups with a gender lens. During due diligence, investors can look for companies that disaggregate data by gender to identify companies' strengths and weaknesses. Investors can also ask questions to assess gender-based opportunities and risks.

Post-investment: Investors can establish a gender action plan with their investee companies as well as monitor their progress and milestones towards gender outcomes. During exits, investors can ensure that the exit maintains a gender lens strategy.



Local Efforts in Mobilizing Funds towards GLI

While the gender financing gap is still significant, local efforts are gaining momentum to close the gap and mobilize funds towards gender lens investing:

As mentioned, HSBC announced the launch of a Female Entrepreneur Fund in May 2022 worth USD1 bn to finance female-led businesses in 11 markets including Egypt. EBRD allocated USD5M under the Women in Business Program to expand access to finance for women-led SMEs. EBRD in partnership with the CIB also allocated a senior debt facility of USD20M dedicated as lending services for SMEs led by women [26].

Fintech Egypt as part of the Central Bank of Egypt launched Accelerate'ha' in 2021, an initiative to promote gender equality and women empowerment in Egypt through creating a Fintech talent pipeline for female entrepreneurs and provide innovative Fintech solutions to female-specific problems. This will be achieved through various activities including equipping individuals with essential tools and Fintech fundamentals to start their own Fintech startup and join a female-specific incubation program [27].

Egypt's MSMEDA announced in September 2021 a EUR50M credit-line to support female entrepreneurs. At the core of the initiative lies a larger goal to promote economic empowerment for women and gender equality [29].

Flat6Labs, a leading incubator in Egypt, partnered with Organon to create a Femtech accelerator program dedicated to 10 growing startups in the Femtech space. The program includes workshops, coaching & mentoring sessions, follow-up meetings, a pitch night, and three winners will receive a prize of USD7k [30]. In partnership with the Entrepreneurship Academy powered by the Sanad Fand, Flat6Labs launched Ebda'y an online pre-acceleration program focused on female entrepreneurship with preference for entrepreneurs from Upper Egypt [31]. Three top startups will receive an award of USD5.5k following the Ebda'y program.

While we still need more female investors, fund managers, and partners in VC and PE firms, a number of prominent female investors are leading and co-leading top investment funds in Egypt including Mezzan, Algebra Ventures, Silicon Badia, Flat6Labs, 500 Global and the Lotus Capital.

► Rahet Bally, founded by Nadia Gamal El-Din



Nadia Gamal El-Din started Rahet Bally in her hospital bed after she gave birth to her first baby. She reports feeling lost, none of her friends had any babies yet, and she realized she needed much more support than there was available. To her surprise, there were no community groups or online resources for mothers in Egypt. She decided to put an end to the situation and start Rahet Bally which translates to 'peace of mind' commenting that 'My ultimate mission is that I want every single mother in

Egypt to find peace of mind'. Founded in August 2014, the community grew to more than 100 professionals and 3000 mothers in less than a month.

Rahet Bally today is the first all-inclusive motherhood support platform offering financial, physical, and social support via online and on-ground services. They offer a wide variety of B2C services that include: The Rahet Bally online platform, Moms Mag (a magazine on motherhood in Egypt), the Rahet Bally Card, Fitness & Nutrition programs for mothers, the Cloud, a space for mothers and kids, and the Rahet Bally Experience (a family festival).

Nadia launched her second business mummerz.com: the largest E-Commerce website for motherhood and childcare in Egypt, and they raised USD1.2M in pre-seed round led by Disruptech.



Don't compromise and don't settle, we have been cash flow positive in less than two years of operations. We stuck to what we believe in. Build it and they will come'

– Nadia Gamal El-Din



Awards:

Africa's Business Heroes Top 10, 2022. Nadia was one of the 7 laureates at the Cartier Women Initiative in 2020. She was awarded Top 50 Influential Women in Egypt by the prime minister. Awarded by Facebook for having the most impactful community in Egypt. Face of #shemeansbusiness and #shecreates globally for Facebook. Facebook Community Accelerator Alumni.

► FreshSource, led by Farah Emara



Launched in 2019, FreshSource aims to leverage technology to become the leading agricultural supply chain platform in the MENA region. It's a B2B fresh food tech-distributor transforming the lives of producers, businesses, and consumers. Farah recognized that 30% of Egyptian crops are lost due to poor post-harvesting, storage and transportation which jeopardizes the country's food security. Moreover, the fresh food products increase by 75% in price from the farm until they

reach the consumer. Hence, Farah launched FreshSource with her brother Omar Emara, to create one platform that producers and customers, gather data on availability and prices of Egyptian crops with a cold chain logistics know-how.

Since their launch, FreshSource has expanded to 11 governorates in Egypt and launched mobile application. Their plan in 2023 is to expand to Egypt in full and add more features to their solution including an Agri-marketplace as well as start exporting home-grown products to the Gulf area and Europe. They move around 3 tons of crops daily, achieved 60+ deliveries on a weekly basis, and have a strong network of customers including Starbucks, Talabat, Breadfast, and Gourmet.

In a male-dominated sector, Farah Emara excelled in creating a tech-driven business in the agricultural landscape. While fundraising was difficult at first considering that the agri-tech business is led by a woman, FreshSource was able to raise an undisclosed seed round led by Wamda Capital and 4DX.



We are on a mission to solve for food security in the region. It doesn't feel that way everyday, it feels hard. But the results and achieving the milestones we set out continue to propel us forward and now it's recognized by our stakeholders and investors.

-Farah Emara



Awards:

FreshSource joined the Google for Startups Tech Accelerator. The business won a EUR30k grant from the European Bank for Reconstruction and Development (EBRD) and awarded EBRD Star Ventures. Awarded the Digital Agricultural Award by the World Bank Group. Farah Emara was named in top three of global TiE Women Competition.

► Yalla Fel Sekka, founded by Yasmine Abdel Karim



Launched in 2020, Yalla Fel Sekka (YFS) is a technology company specialized in providing Intra-city urban logistics & courier services. YFS is disrupting the delivery industry with an objective to improve efficiency and help reduce overall delivery time. Its key features include an asset-light hyperlocal on-demand instant delivery service model that utilizes a diverse fleet, advanced technology, and focused operations to optimize delivery productivity for clients across a variety of sectors.

YFS has a diverse fleet of 1,000 drivers of motorcycles and vans and provides instant delivery support to the groceries, food, retailers, pharmaceuticals, and E-Commerce sector. Yasmine is building a critical infrastructure backbone for the next-generation logistics services in the region. Their customers include Noon, Carrefour, Hyper1, and Jumia. YFS also

provides cash collection management, sorting, dispatching, data management, third party payment integrations, AI scheduling, Routing, and geofencing and tracking.

Yasmine also pioneered in a largely male-dominant and YFS was able to raise a USD7M in their Series A round led by DisruptAd and ADQ's Venture.



We are now delivering over 10,000 orders per day while being gross margin positive only 18 months after launch in a vibrant but competitive market. Our gross merchandise volume is growing at a monthly rate of 20% and our customer retention is above 90%.

-Yasmine Abdel Karim





Throughout our ongoing research, we've collected evidence and observations to design focused actionable interventions targeting inclusive access to finance for women. As every stakeholder has a part to play in moving the needle, we've gathered recommendations that speak to female founders, investors (including PE, VC, or angel investor networks), and ecosystem players (accelerator programs, incubators, other nonprofit organizations for entrepreneurship). The recommendations intend to create a more inclusive ecosystem for female founders in Egypt and to lower barriers to entry for women entrepreneurs accessing finance.

► **For women-led startups**

● **Strengthening Networks**

The power of networks has been increasingly cited as one of the most effective contributors to successful fundraising. Founders building diverse, active and robust networks of industry veterans, mentors, advisors, peers and investors have higher chances of accessing financing. We encourage female founders to efficiently invest in growing and diversifying their networks locally, regionally, and internationally. This can be supported by joining entrepreneurship organizations, attending relevant conferences and events, seeking mentors and ambassadors, having male and female peers and advisors, and utilizing social media platforms.

● **Creating Community**

A tight and growing community of female founders enables sharing resources, learning, experiences, networks and contacts. We see opportunity in female founders to get together more frequently, forge open and constructive dialogue and collaborate to increase market transparency and cultivate support throughout the journey of growing their respective businesses.

Investment Readiness

Female founders have often sought funding too late or too early. Among the recommendations is adequately investing time and resources in preparing their business plans with feedback from mentors and advisors. Preparation includes demonstrating a product market fit, domain expertise, monetization strategy, projection of current and future revenue streams as well as costs of running and growing the business. It is important to thoroughly build a sound business model with clear funding needs, updating it periodically to decide when and how to approach investors. Presenting an ambitious, defensible and investable vision with evidence of commercialization experience (or future potential) is an important and necessary step for access to finance.

Know the Funders

Performing due diligence on the appropriate investor(s) to approach with focus on the stage of their investments (i.e., seed, Series A or Series B+), the industry they operate in and the appropriateness of their investment instruments to the founders business can save female founders significant time and resources as they navigate the funding landscape.

Addressing cultural and social norms

A recurring challenge for female founders in Egypt and the Middle East has been cultural and behavioral differences that contribute to significant bias. Among the addressable actions is recognizing bias, raising self and situational awareness and being conscious of different approaches to effectively achieve the desired outcome. Suggestions include working on alternative modes of pitching, practicing different negotiation tactics, building comfort in marketing your business through appropriate channels, presenting passion for the business and its growth prospects with confidence, demonstrating a thoughtful understanding of risk and mitigants. Similarly, in practicing these qualities, female founders are advised to avoid taking a defensive stance, expressing concerns in an overly cautious risk averse manner or alternatively choosing to be extremely humble in expressing their achievements and ambition.



► For Investors

● Bias

Recognizing and acknowledging gender bias with the intention of formulating value aligned strategies to correct for bias.

● Gender Smart Investing

Identifying the appropriate gender lens measures for the firm, adjusting operations and the investment process accordingly, identifying and defining the relevant KPIs to that end and activating accountability systems for measurable progress.

● Diversity

Commitment to a gender-balanced team has a significant impact in correcting for bias, capturing a larger market and generating more diverse and innovative portfolios. Attracting, retaining and promoting female talent to become investment decision makers is an important and necessary step towards inclusive access to market.

● Sourcing

Diversifying sourcing channels to build a robust and inclusive pipeline. This entails going beyond referrals and common events which limit the pool to an investors existing and often male denominated network. We encourage investors to seek female founders where they are and plan for meetings and events that are appropriate for female founders in the Middle East.

● Due Diligence

Asking the right questions during due diligence to avoid personal questions and cultural biases, as well as assessing gender-based opportunities and risks.

● Portfolio

Encouraging diversity within their portfolio companies for more resilient and innovative growth. Devising a gender diversity action plan with investees that includes measurable KPIs to report on can go a long way in supporting them access to talent, markets and funding.





► For Ecosystem Builders

● Mapping Investors

Supporting female founders in knowing the different types of investors and their relevance to each stage of the company's growth. Facilitating visibility with different investors through events, introductions, and tailored road shows to bridge the gap.

● Building Community

Creating platforms for female founders to connect them with one another and share experiences, networks, learning and collaboration opportunities.

● Mentorship

Designing mentorship programs tailored for female founders, connecting them with the appropriate mentors and training mentors and founders on the art of giving and receiving feedback.

● Workshops

Devising trainings and workshops tailored to female founders to address cultural and behavioral differences as well as knowledge gaps. We recommend trainings that prepare and educate female founders on business fundamentals, investment readiness and equally on pitching, managing relationships, negotiating and demonstrating confidence in their cultural context.

● Networking

Facilitating networking opportunities for female founders through events and introductions that are within working hours to specifically accommodate for mothers and women in general.

● Awareness

Content and programs that shed light on bias, opportunities and challenges of women led businesses. We hope to see an ecosystem wide movement towards diversity and inclusion for a healthy society to flourish on the back of resilient, sustainable economic growth.

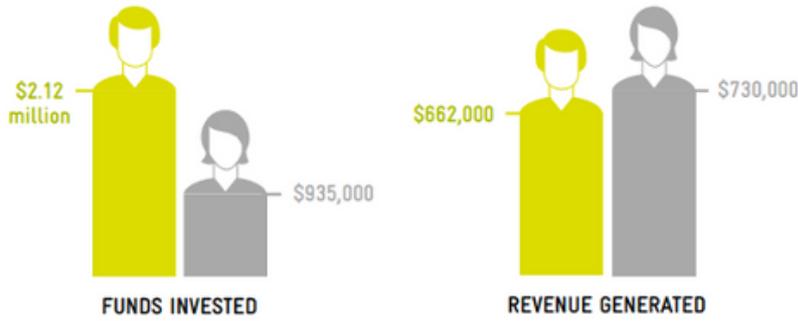


Figure 1. Funds invested in and revenue generated from women vs men-led startups. Source: Accelerating Women Entrepreneurs – A Handbook for Practitioners. German Cooperation (Deutsche Zusammenarbeit) & GIZ (Deutsche Gesellschaft fuer Internationale Zusammenarbeit). January 2022



Figure 2. Return on Investment by Startups Founded or Co-Founded by Women vs. Men. Source: Accelerating Women Entrepreneurs – A Handbook for Practitioners. German Cooperation (Deutsche Zusammenarbeit) & GIZ (Deutsche Gesellschaft fuer Internationale Zusammenarbeit). January 2022

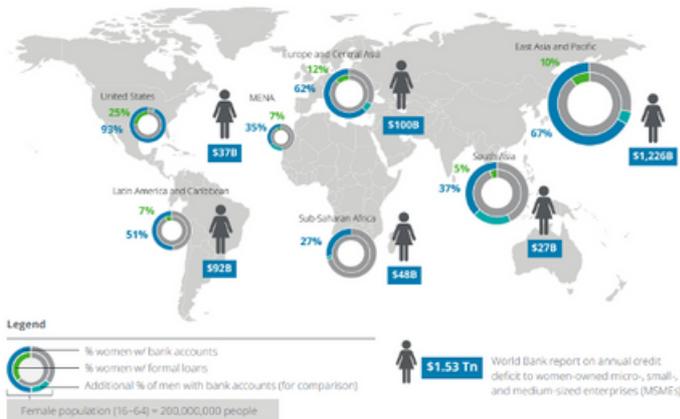


Figure 3. The Global Gap in Women’s Access to Credit. Source: Bridging the gap with Global Financial Inclusion. Deloitte United States. (2021, June 15), from <https://www2.deloitte.com/us/en/pages/financial-services/articles/global-financial-inclusion.html>

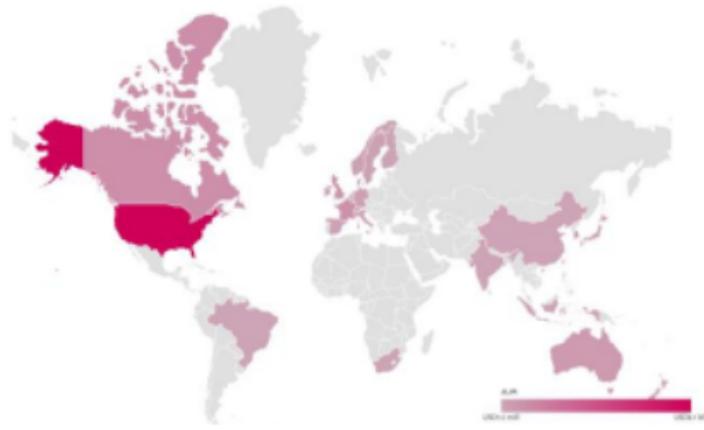


Figure 4. Country Composition of GLEFs in Q2 2022. Lowest being USD1M and Highest USD2bn. Source: Gender Lens Investing Q2 2022 Quarterly Review, Scorecard Rankings, and A Country Perspective on Investing in Women. Parallele Finance. (2022, June 8). Retrieved October 9, 2022, from <https://parallelefinance.com/gli2022/>

Figure 5. Total Female Entrepreneurship Rates Compared to Female-Led Businesses Receiving PE/VC investments. Source: Moving toward Gender Balance in private equity and venture capital - International Finance Corporation. from https://www.ifc.org/wps/wcm/connect/79e641c9-824f-4bd8-9f1c-00579862fed3/Moving+Toward+Gender+Balance+Final_3_22.pdf?MOD=AJPERES&CVID=mCJBFra

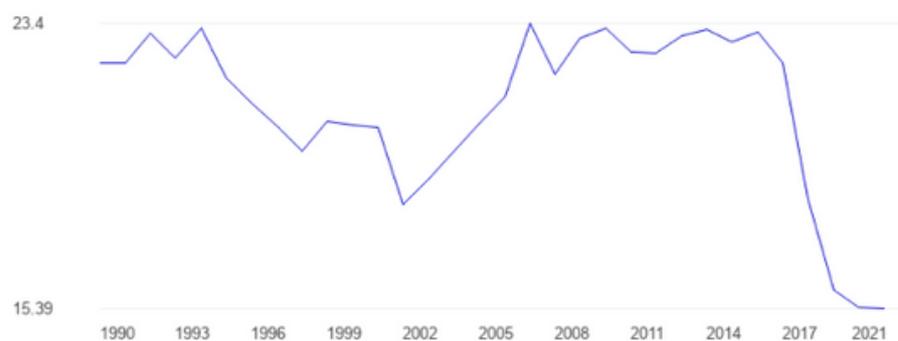
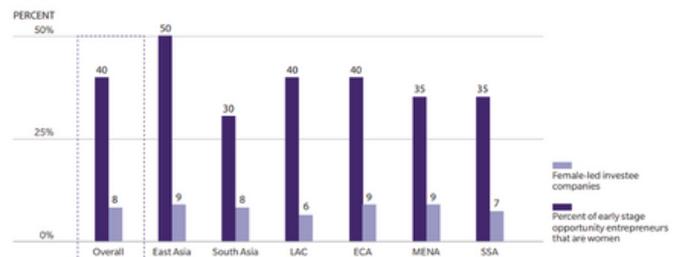


Figure 6. Female Labor Participation Force in Egypt, 1990 to 2021. Egypt female labor force participation - data, Chart. TheGlobalEconomy.com. From https://www.theglobaleconomy.com/Egypt/Female_labor_force_participation/#:~:text=Female%20labor%20force%20participation%20rate&text=The%20average%20value%20for%20Egypt,181%20countries%20is%2050.14%20percent.

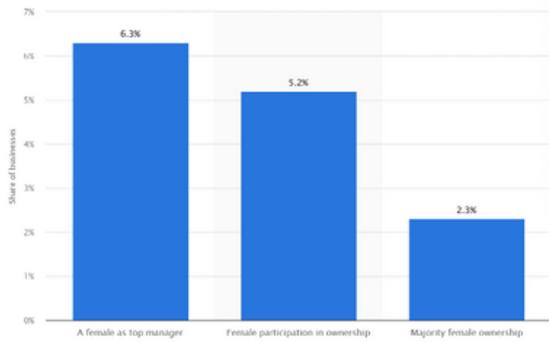


Figure 7. Share of Firms with Women in Ownership or Leadership Roles in Egypt, 2020. Source: Galal, S. (2021, June 4). Egypt: Women in leadership positions in firms 2020. Statista. From <https://www.statista.com/statistics/1241343/women-in-business-ownership-and-leadership-roles-in-egypt/>

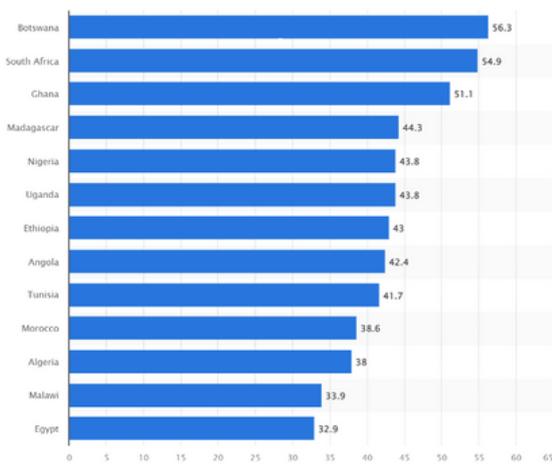


Figure 8. Share of Female Entrepreneurs in Africa in 2021. Source: Saleh, M. (2022, April 7). Africa: Women entrepreneurs index by country 2021. Statista. From <https://www.statista.com/statistics/1223158/index-of-women-entrepreneurs-in-african-countries/>



Figure 9. Share of Female Entrepreneurs in Africa in 2018. Source: Mahrous, A. A. (2019, January). Female Entrepreneurship in Egypt: New Theoretical and Public Policy Implications. ArmgPublishing. Retrieved October 11, 2022, from <https://armgpublishing.com/journals/mmi/volume-10-issue-1/article-13/>

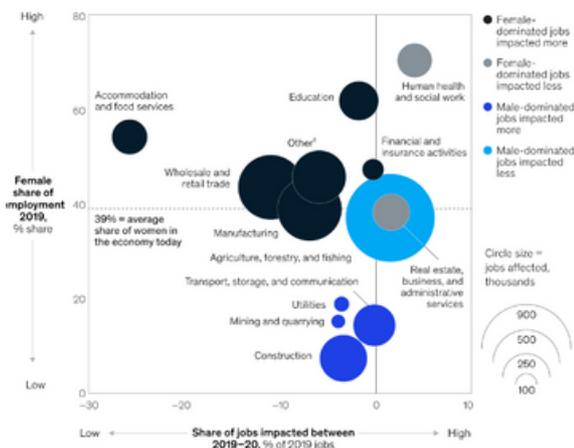


Figure 10. Women Employment Impact in 2020 by Industry. Source: Madgavkar, A., White, O., Krishnan, M., Mahajan, D., & Azcue, X. (2022, April 13). Covid-19 and gender equality: Countering the regressive effects. McKinsey & Company. From <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>

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