



Africa Growth Fund

Investing for Impact: Lessons from the Mastercard Foundation Africa Growth Fund

Book two: Designing
and delivering services
to facilitate job creation

In partnership with:



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ESP⁷
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Contents

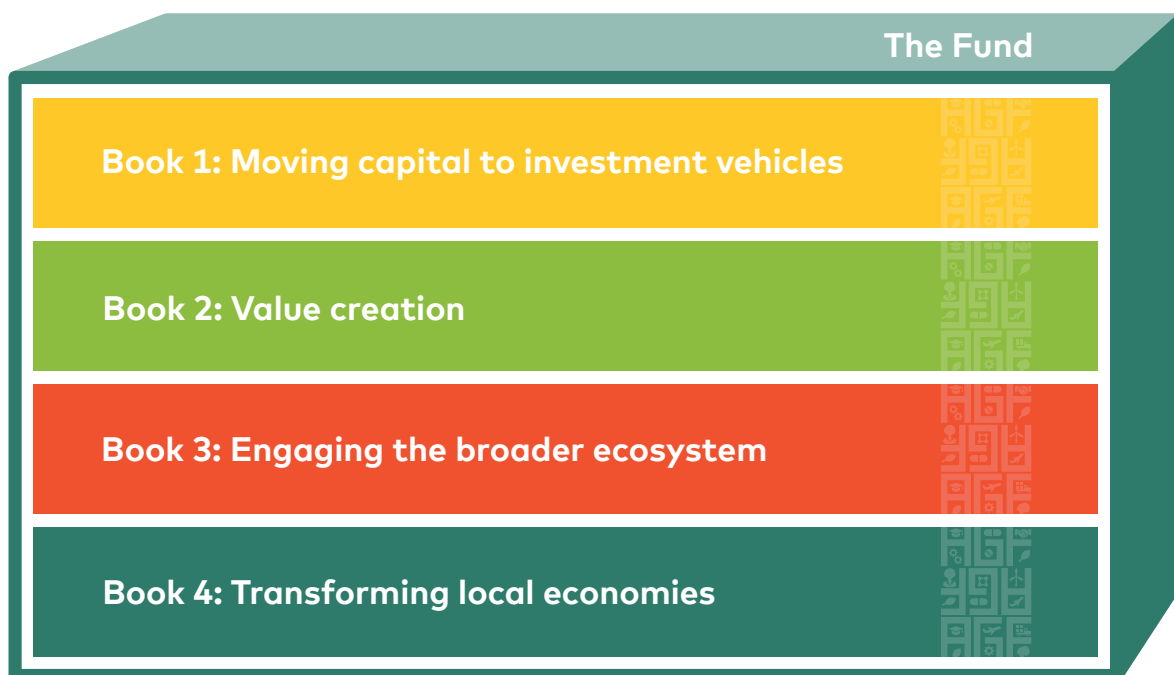
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Preface

Three years ago, the Mastercard Foundation Africa Growth Fund ('the Fund') was launched as a bold endeavor to move capital differently in Africa. Its ambition was clear: accelerate the flow of capital to African investment vehicles (particularly those led by women) to create meaningful, sustainable jobs for young people (especially young women).

The Fund was designed to test, iterate, and adapt. The lessons captured here emerge from the lived experiences of investment leaders in our portfolio and the Consortium that built and implemented the Fund. They have been applied to operations where possible and synthesized into how we might do things differently if we were starting from scratch.

The diagram below shows the four components of the Fund and how they come together in a holistic systems change endeavor which shifts narratives and norms in the African investment ecosystem. Each is the subject of a separate learning book. The first book focused on accelerating investments into both investment vehicles and portfolio companies, ensuring alignment with geographic priorities and ultimately accelerating job creation. This second book focuses on designing and delivering supportive services for investment firms and portfolio companies. The third book documents our efforts to engage the broader ecosystem of investors, intermediaries, and policymakers and shift investment norms, structures and practices. The fourth and final book looks at what we learned about transforming local economies to enable the creation of dignified, fulfilling work for young women.



From the outset, the Fund recognized that investment capital alone is insufficient to achieve this ambition. Businesses require strategic, contextual, and relational support to thrive, as do the investment firms deploying capital to them. Therefore, along with the \$150M pool of investment funds, there was a dedicated facility of \$25M that was set up alongside it to provide services to support businesses.

As we implemented this facility, we asked ourselves many questions. What were the power dynamics at play hindering the effective delivery and impact of services? How might we shift perceptions in the ecosystem so that services are valued as a critical sector of the economy? Where were the opportunities to shape the economics of service delivery to ensure it is sustainable and aligned with the systemic shifts we care about? While we may not have found answers to them all, what we learned we've attempted to share through this book.



An invitation

These learning books are not a victory lap or manuals for replication. We invite investors, fund managers, service providers, and ecosystem leaders to build upon these proven approaches and co-create enhanced models for how capital and value creation services can accelerate inclusive, resilient economies across Africa.

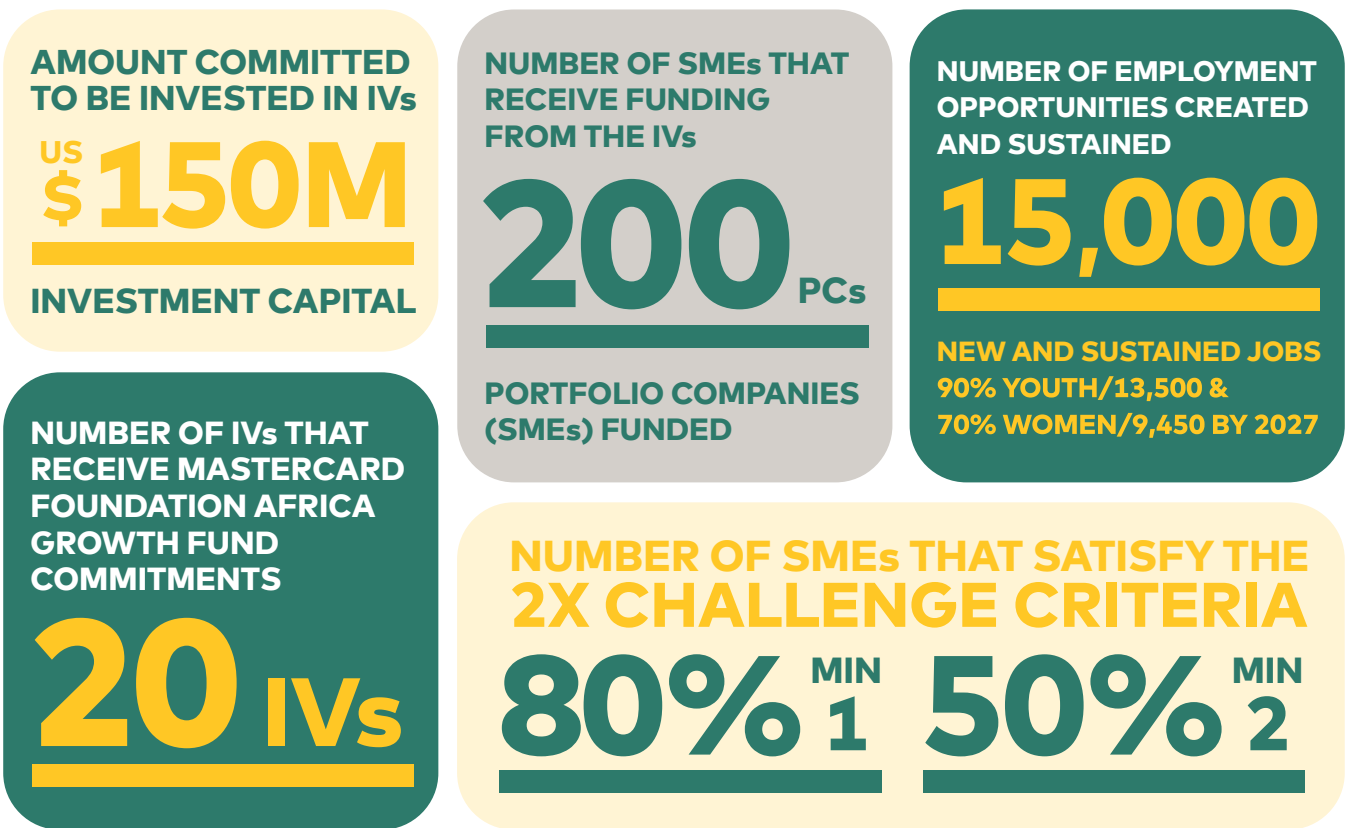
At the Fund, we embrace learning as a powerful tool for growth. We present the insights below as both inspiration and a roadmap for our actions, encouraging others to engage in deeper reflection and collective action. The challenges we face demand nothing less.

Introduction

The Mastercard Foundation Africa Growth Fund has an ambition to move capital differently in Africa, with a particular focus on creating dignified, sustainable jobs for young women. As of October 2025, the Fund has invested in 16 investment vehicles, with a portfolio footprint of 88 small and medium enterprises (SMEs) across 13 countries, creating over 8,300 direct jobs (40% women, 30% young people).

This book is the second in a series of four learning books that document the Fund’s journey. While the first book focused on accelerating capital flows to investment vehicles and portfolio companies, this volume explores how the Fund created value beyond capital through services, relationships, and market infrastructure that supported businesses and investment firms alike.

Fund Targets by 2027



The Fund put capital into investment vehicles who, as enterprises themselves, also needed business services to strengthen and grow. The Fund engaged service providers to support the firms' ability to be ready for investment and to meet the conditions precedent in investment memos.

As the investment vehicles in our portfolio built their pipeline and made investments, they also provided formal and informal services to portfolio companies. The services provided to portfolio companies through the facility within the Fund were an extension of the value created by the investment vehicles.

This chain of service delivery created complex power dynamics but also provided opportunities to develop approaches to managing those dynamics.

This book examines those dynamics and the tensions they create, offering insights into how services can be designed and delivered to shift, not reinforce, existing norms.

How businesses engage services is shaped by power dynamics: who decides which services are needed, who delivers them, and whose goals they serve. Below, we explore six core dynamics shaping service delivery: **agency, expertise, timing, trust, risk sharing, and alignment**. These dynamics are lived realities for fund managers, service providers, and entrepreneurs navigating complex systems. By analyzing how they played out in the Fund's service delivery model, we offer a roadmap for others seeking to create investment structures that build ecosystems rather than just deploy capital.

At the same time, the Fund sought to challenge dominant narratives by prioritizing the services closest to the local economies where jobs are created. These service providers and the enterprises they support are grounded in context and have the knowledge and networks that can drive real growth and resilience. We privileged knowledge of context and invested in formalizing service providers to strengthen the local service sector.

Finally, the health of the services sector is a key driver of long-term economic development and is itself a driver of job growth. This learning book situates the experience of the Fund and our structure for delivering services in the context of the broader ecosystem and names implications of what we learned for how to strengthen and legitimize the service sector overall.

Service sector

The services sector of the economy provides services rather than producing goods. In addition to the professional services discussed in this paper it includes medical providers, educators, financial services, and personal services, among others.

Value creation as a pathway to job creation

The Fund assumed that providing capital and services to women-led business and investment firms would create jobs for women. The services provided therefore had a dual focus, aligned with this goal: 1) advisory services for women-owned and -led businesses so they could grow and create more jobs for women, especially young women, and 2) services that would influence the practices within investment firms and portfolio companies so they could create dignified and fulfilling work for women and youth.

The Fund sought to deliver services that would enable a portfolio company to thrive in its respective markets and investment and funding ecosystems. This includes services that build business capacity, leadership, and infrastructure, ultimately contributing to job creation and shifting power dynamics in African investment ecosystems.

The investment thesis developed by the Fund in the third year of operations sharpened our lens on how to support businesses to drive job growth and to identify systems interventions to build up a service sector capable of supporting sustained job creation.

The Fund serves businesses and investment firms in a range of different ways. Entrepreneurial Solutions Partners (ESP) conducts needs assessments for investment firms and portfolio companies. It then uses those assessments to co-create a roadmap for growth (R4G) that identifies priorities for business growth. Sometimes these priorities can be addressed in-house, at other times external expertise can create significant leverage.

ESP contracted a range of service providers to meet the needs identified by the investment firms and their portfolio companies. The Consortium partners, including Criterion Institute, Africa Communications Group (ACG) and Genesis provided a set of formal and informal services, from media and communications coaching and gender expertise to investment strategy and legal/technical services.

In its fourth year of implementation, the Fund has created an incubation initiative which emerged from the lessons learned and gaps identified throughout the Fund's operations. The program expanded to include an additional set of partners providing shared services, capacity building and mentorship. The Fund Incubation Initiative serves as a platform to pilot innovative services and strengthen the ecosystem supporting young women entrepreneurs across Nigeria, Kenya and Uganda.

Diverse approaches to services

The breadth of the Fund's structure enabled it to incorporate a diverse set of approaches to providing services to business. Terms are often used interchangeably, and the definitions provided below are fluid and easily disputed. To add blurriness, acronyms dominate usage (TA, BDS, BPO). While the Fund used the language of business development services or BDS, most often, that term alone does not capture the approach of the Fund.

1. **Value creation services:** Holistic advisory services that enhance the profitability, scalability, and impact of the company. Value creation aligns with some of the approaches and goals of management consulting.
2. **Business development services:** Targeted advisory services that expand the ability of companies to reach markets and attract investment.
3. **Technical assistance:** Targeted services often funded by foundations or governments to improve companies' governance, operations, and compliance, aligned with the goals of the funder.
4. **Investment readiness programs:** Structured (often standardized) programs designed to prepare businesses to meet the explicit expectations of capital providers.
5. **Coaching and mentoring:** One-on-one services tailored to build leadership, resilience, reputation and access to networks of entrepreneurs, executives or emerging leaders.
6. **Peer-to-peer learning:** Platforms or organized processes that connect leaders within similar sectors or stages of business to learn from each other.
7. **Shared services and business process outsourcing:** Efficient, high-quality services, usually standardized, that expand the capacity of companies in areas such as legal, finance, human resources, data management, or information technology.

This learning book intentionally seeks to dispel some of this confusion and to use distinct terms to delineate different approaches. This enables a more precise analysis of our learning around service delivery and associated power dynamics. In the African context, these terms carry historical weight and reflect how power has been distributed in global development and finance. Unpacking these terms challenges the assumptions embedded within.

Technical assistance has its roots in development models, where expertise was often imported from the Global North and sometimes imposed on African businesses. It has frequently been used to shape behavior to meet donor or investor expectations, rather than to support goals defined in context.

Similarly, in Africa many business development services and investment readiness programs, while seeking to ensure access to markets and investment, have often reinforced narratives of inadequacy, especially for women-led enterprises. While they can unlock access, they are designed to 'fix' perceived gaps rather than to develop existing strengths. Therefore, they also risk reinforcing power imbalances by privileging external norms over local models of success.

Coaching and mentoring are sometimes framed as remedial, especially when applied to women and youth. The assumption that these groups need guidance can obscure the structural barriers they face and the expertise they already have. Peer-to-peer learning programs can shift this dynamic, naming what leaders can learn from each other rather than from 'experts.'

Shared services and business process outsourcing are often promoted as efficiency tools, but they also reflect global trends in outsourcing and centralization that may not align with local needs or capacities. In African contexts, these models must be interrogated to avoid replicating extractive systems.



Additional analysis of
investment readiness
in the first learning book.

Peer-to-peer learning programs
can shift this dynamic, naming
what leaders can learn from each
other rather than from 'experts.'

Seeing and shifting power in service delivery

Designing and implementing programs that meet local needs and shift, rather than reinforce, harmful norms requires understanding how power, privilege and bias affect service delivery. In addition to supporting job creation, we used these services to shift power, ensuring that African businesses, especially those led by women, had agency in defining their own paths to success. Over the past four years, the Fund has witnessed and responded to six core power dynamics that influence how services are designed, delivered, and received. This analysis has informed adaptations and the implications for future service design. It also revealed where we could use our influence to shift practices in the ecosystem.



AGENCY

While we instituted processes that shifted decision-making around the firms and companies receiving the services, as an investor and the funder of services, the priorities of the Fund and our portfolio still influenced which service needs were met.



EXPERTISE

The Fund prioritized contextual expertise, challenging norms that devalue the knowledge and connections of local actors. What more can we do to address the structural barriers that local service providers face in building sustainable business models?



TIMING

In real time, the initiative worked to balance the interests of the investment process and the delivery of services, but Fund's design meant that service delivery followed investment or funding timelines. What would ensure that businesses got what they needed when they needed it, whether investment or services?



TRUST

Effective services require openness. The Fund took care and time to build trust between contracted service providers and those requesting their services. The Fund's investment managers and partners also provided informal coaching and advisory services to investment firms in our pipeline. How might we manage vulnerability in relationships?



RISK SHARING

As an investment fund, we offered services to investment firms and in turn the investment firms offered services to companies that were designed to reduce investor risk. But recipients of services and service providers also take on risk. How can the design and delivery of services ensure that risks are shared?



ALIGNMENT

Through our processes and structures, we looked at the incentives that drive service providers, funders, and businesses. How could incentives challenge the privilege and bias in the way the market rewards service delivery?



These dynamics provide a lens for evaluating how services can either reinforce or shift power within investment ecosystems. Power dynamics are not easily shifted, especially those grounded in systematic structures of inequality. Because the Fund also participates in the system and is implicated in existing power structures, we had to be intentional about where we sought to challenge them.

Conclusion

Delivering services to investment vehicles and portfolio companies is central to ensuring capital can drive meaningful change. Through the Fund, we've learned that successful delivery demands a deep understanding of power dynamics, a commitment to contextual relevance, and a willingness to adapt. The narrative that follows documents lessons learned in four elements of service delivery:

1. The design of the Fund's delivery model for services.
2. Approaches to assessing needs and determining the services required.
3. Understanding the context of service providers and our approach to engaging them.
4. The actual delivery of services.

Each chapter begins with an analysis of the key power dynamics (what did we learn about how to manage problems within the current set of dynamics to drive results?). It then shifts to a reframe which positions the dynamic in a new light (what if we shift what is privileged, to create a broader set of possibilities?). Finally, we identify potential shifts in the market dynamics around service provisions that can create an inclusive economic system.

01

Designing the delivery model for services

- Integrating investment processes and delivery of services
- Aligning service delivery with the investment thesis
- Building a sustainable service delivery model

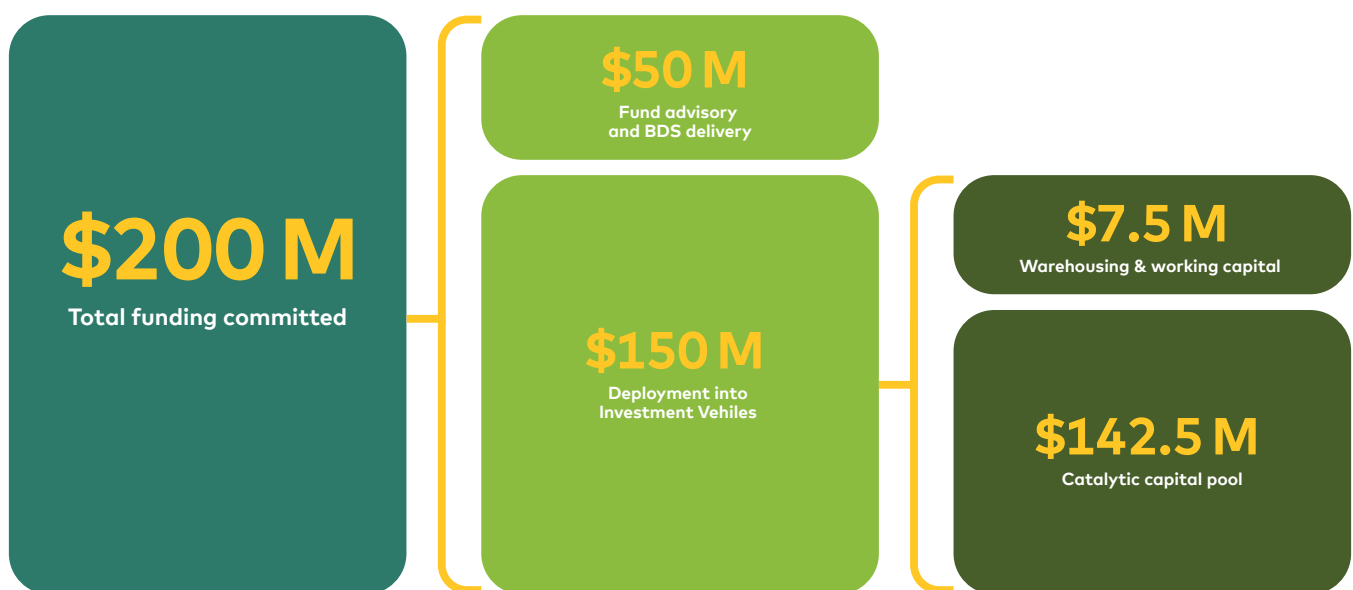
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By investing in and providing BDS support to SMEs, this initiative is designed to relieve poverty by catalyzing job creation and community economic development for the benefit of individuals and communities in poverty in Youth at Work countries."

- Expression of Interest, Mastercard Foundation, 2021.

In 2021, MasterCard put out two calls for proposals: one for investments and one for providing services to portfolio companies. MEDA and its partners won both awards, which provided the opportunity to build them in parallel and find the synergies across both areas within the Fund.

MEDA and ESP, together, designed the service delivery model for companies, with ESP driving the thought leadership. As one of the leading firms in Africa providing incubation, investment and advisory services to businesses, ESP's holistic approach to value creation was at the center of the offering.



Rather than providing all services directly, ESP sourced specialized knowledge from a network of service providers based on specific company needs. Over time, this approach has allowed them to place increased emphasis on building out the ecosystem of business development service providers and amplifying African expertise. The partnership in the Fund allowed ESP to expand a model that they believed in and implement it in different contexts.

In their work with entrepreneurs across Africa, ESP identifies five pervasive mindsets that hold markets back: lack of trust, defensiveness, short-term focus, zero-sum thinking, and risk aversion. These are not just attitudes; they are embedded logics that shape investment decisions, business design, and partnership behavior. The Fund's value creation strategy challenges these mental models. Business development services were not a tool for fixing gaps but a vehicle for shifting how value is understood, where expertise sits, and what growth looks like.

This required moving beyond transactional service delivery toward a more relational model, walking alongside entrepreneurs as thought partners. Service providers acted as coaches, asking strategic questions, illuminating alternatives, and helping founders reflect on goals within their broader context. This approach shifted power by recognizing the entrepreneur as the expert and honoring their lived reality, while supporting them to reimagine what growth could look like.

In addition to driving growth, services were used to influence company behavior and strategic direction. Services need to be aligned with the type of growth being pursued, whether for profitability, sustainability, or job creation. This required a nuanced understanding of each company's needs and the ability for the companies to determine priorities that will set them up for success to match them with appropriate service providers.

The Fund's approach to service provision illustrates the power of integrating it with investment strategy. Through ESP, services were bespoke, timed, and targeted to maximize impact. Their role created coherence from the assessment of the need, co-creation of the R4G through to the delivery of the targeted service provision. This approach demonstrated additional possibilities, not just of moving capital but building a vital business services ecosystem and alternative models of program design and delivery.

Both MEDA and ESP are good at taking a market systems approach that begins with noticing the dynamics in the market and then designing investments (and services) accordingly. They designed the initiative to not only work for the needs of the capital, but for the businesses and the workers in those businesses who are driving the economy.

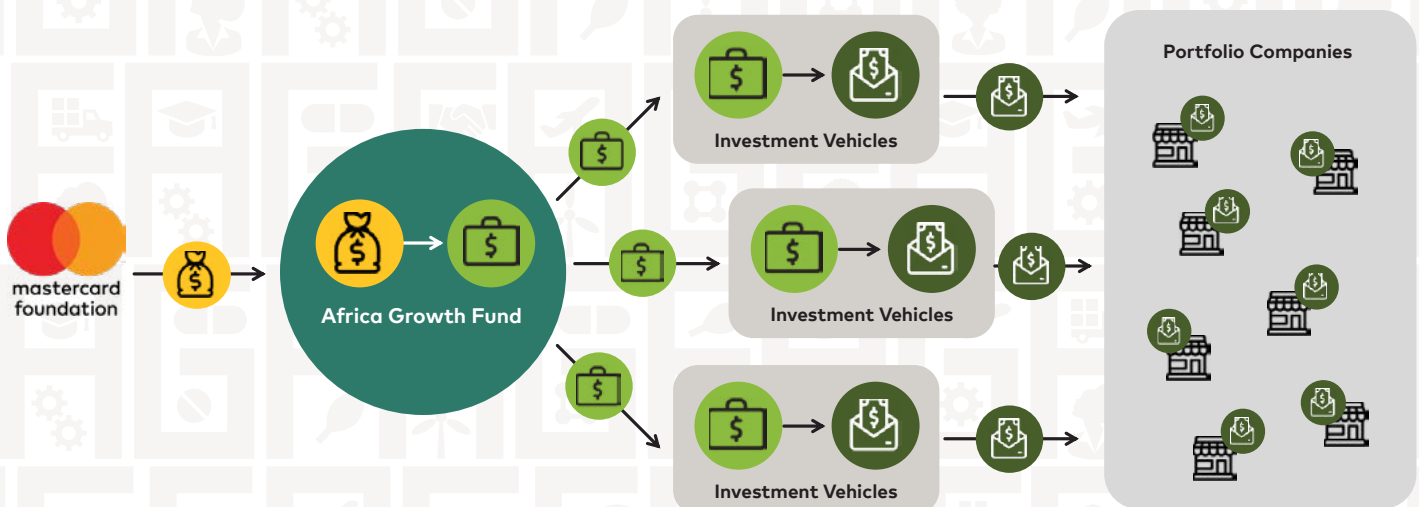
Over time, the Fund worked to align the delivery of services and deployment of investment capital with a shared picture of the future, expressed within the Fund's investment thesis, in which the conditions for women's full participation in the economy could be met.

Integration of investment process and delivery of services

Are services in support of investments, or do investments follow businesses who have strengthened their operations through services? It's a classic chicken-or-egg conundrum. Access to expertise and connections is essential for building a business, but businesses need to have revenue to be able to afford services. In the end, most businesses (especially those most marginalized in the economy) can't pay for services without investments or subsidies.

Programs designed to deliver services to businesses are often designed around investor timing and interests, whether they are about increasing inclusion, or advancing a goal such as job creation. They have a path to investment or provide the post-investment support that ensures business success.

At the Fund, the timing of service delivery was driven by the timing of investment. We would make investment decisions, and that would then trigger capital to investment vehicles, who in turn moved capital to their portfolio companies, which enabled them to engage services providers. Later in the Fund's journey, more resources were allocated to pre-investment support as an acknowledgment that this can help accelerate investment and unlock capital.



The effectiveness of value creation services depends heavily on alignment with capital deployment. The capital and services provided need to be timed carefully to ensure they unlock rather than stall the ability to capture opportunity.

Services early on focused on supporting the leadership of the investment vehicles, in alignment with the original thesis that women-led investment vehicles would invest in women-led businesses who would create jobs for (young) women. The Fund partnered with accelerators such as 2X Ignite and Kuramo to make women-led investment vehicles investment-ready.

Yet while supporting early-stage investment vehicles is essential to build a more inclusive investment ecosystem, this commitment slowed the process of deploying capital. The investment process encountered delays as the investment vehicles navigated delays in closing. Without these investments we did not have portfolio companies to whom we could provide services. The length of the investment process determined the timing of service implementation.



TIMING DYNAMIC

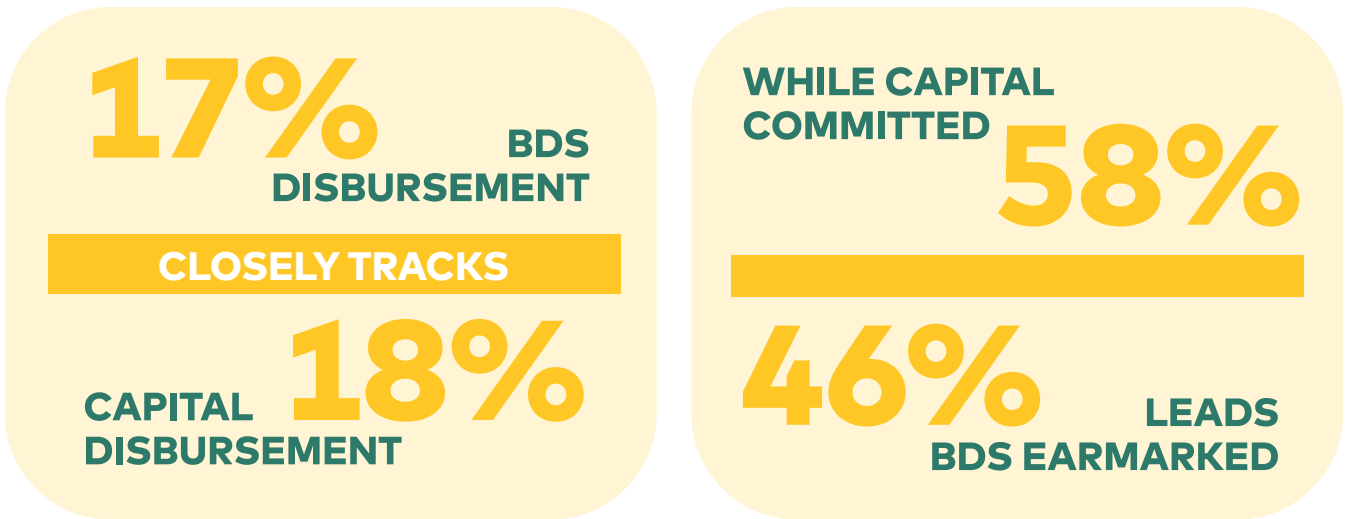
How can program design ensure deployment of capital in sync with delivery of services?

In response, the Fund adapted its model midstream, allowing ESP to begin delivering formal services to portfolio companies earlier in the investment cycle. This shift helped mitigate tensions between investment timing and service provision, ensuring that companies received support when it was most needed.

#	Objective	June 2025 Actual	Aug 2025 Actual	Dec 2025 Targeted	Jan 2026 Targeted
1	Number of IVs receiving BDS	19	19	19	20
2	Number PCs who have received BDS	75	85	95	115
3	Number of PCs assessed in GDEI and ESG	43	51	70	90
4	Number of PCs showing improvement with BDS Support	46% of 76	48% of 85	40% of 95	40% of 115
5	Number of PCs participating in knowledge exchange	27	54	50	75
6	Number of Jobs Created – Women & Youth		8,908	12,000	15,000

In addition, once the investments began to close, service provision accelerated rapidly: each investment vehicle could have as many as 20 existing companies in their portfolio that would then also require services.

Without the cushion of philanthropy, the intersection of these two efforts would have been challenging. The partnership with MasterCard Foundation provided the space to adapt and navigate unexpected timelines. But funding from the Foundation also introduced another set of timeframes, as both the services and the investment capital needed to be deployed within the timeframe of the grant. The timelines of grants to support services rarely align neatly with those of the businesses or the runway for an investment vehicle’s capital deployment.



ON TRACK TO REACH TARGETED DISBURSEMENT AND EARMARKING PERCENTAGES BY END OF Y4 THROUGH STRUCTURED DEPLOYMENT TIMELINES

CASE STUDY

Drawing the line between governance and services

The terms of an investment create structures that enable investors to participate in the governance of a company or an investment vehicle. This governance is negotiated, as portfolio companies and investment vehicles are (rightly) not willing to give investors free reign in exchange for their capital. Governance terms name where the investor can shape key decisions that might affect their investment, and they prevent the investor from unwanted or unwarranted influence on the company or vehicle.

Governance structures relate to services offered in post-investment support and the lines are not always as clear as they should be. Investors have many ways to influence companies and investment vehicles, not only through the informal roles that investment managers play in guiding companies through due diligence, but the formal structures set up through Limited Partner Advisory Committees (this was our structure to advise the vehicles in our Fund). In turn the investment vehicles have processes through which they advise their portfolio companies.

While these are not thought of as 'services' they are embedded in the dynamics around how investors advise companies, and/or how a fund of funds advises investment firms. The Fund's process of building out the advisory committee and Board appointment framework was largely separate from the process of delivering services. These advisory structures overlap with the formal services provided.

Good governance ensures that the boundaries provide guidelines that ensure companies and firms have choices.

AGENCY DYNAMIC

Do companies and firms know what power they have to reject the recommendations that come from informal engagement, formal services, or governance structures? How can good governance and clear contracts and agreements protect boundaries?

Aligning service delivery with the investment thesis

The Fund, like most gender-lens investment vehicles, was built around the inclusion of women as investment leaders and entrepreneurs. As a result, the initial set of services focused on the identity of the leader, either at the investment firm or company, and supporting them. Early on, we named the potential shortcomings of this approach, which could foster a generic understanding of gendered identities rather than focusing on the specific context and market opportunities that create jobs.

The Fund's theory of change started with the pipeline of investment vehicles, rather than starting in the sectors and characteristics of businesses likely to generate jobs. In the third year we wrote an investment thesis, grounded in local economic perspectives, about what businesses need from investment vehicles to thrive. ESP's thinking informed the investment thesis as they work directly with businesses in job-rich sectors of the economy.

This contextual analysis sharpened both how the Fund saw opportunity and risk in context, and how it might design solutions that increase new investments that go on to fuel young women's economic participation.



The themes in the investment thesis intentionally challenge the assumptions in the market about local economies and young women's value within them. Usually, these are informed by gender bias or a lack of intersectional gender analysis. Aligning the design and delivery of services to these themes can support the Fund's goal to shift these assumptions and therefore influence local markets and investment ecosystems.

Market navigation

Provide services to business to support the ability of young women to navigate the markets in which they work. Start with the services that increase market navigation and then build access to the capital that can facilitate participation.

Structured informality

Spur the development of service platforms for informal workers and businesses that create structures and build on the resilient economic base that exists in the informal 'gig' economy.

Crisis as a constant

Integrate lessons from businesses who have been able to bounce back from shocks, rather than only valuing practices that facilitate growth. Design services that support resilience in the face of sustained crises. These businesses will be rewarded with reduced volatility.

Scale through specificity

Build services and connections that facilitate scale through localized, context-aware models that provide resilience and adaptability. Attempting to standardize businesses into a centralized model may result in overrepresentation of those who have privilege but lack context.

Valuing safety

Integrate the safety and wellbeing of workforces, particularly young women, into all types of business model services. Provide services that increase safety practices in the workplace and ensure young women can protect their livelihoods and their assets, even in the face of violence at home or in their community.

The development of the investment thesis suggested that if the Fund could first provide services to businesses positioned to capture future value, then because of those services, they could more effectively map what types of capital they require to fuel growth and resilience. This would make it possible to select (and invest in) the investment vehicles that align with those needs.

Building a sustainable service delivery model

Most investors provide services as part of their business model. This ensures they can deliver more than money, an offer they then use to negotiate good deals. This approach is standard practice in venture capital funds, which can bake the cost of the service into the carried interest or fees from the investment, although it's less common in enterprise debt funds.

We worked closely with the investment firms who provide more than money to the companies in their portfolio to ensure that the services the Fund provided complemented their work.

The repayment of capital and fees sustains investment firms; the payment against a contract sustains service providers. In the context of an emerging market, there are holes in this logic.

There is not enough deal flow: therefore, technical assistance and investment readiness are required to fill the gap and enable investment opportunities. Companies, particularly those historically marginalized, require more services than they can afford or access. Because the costs of deploying capital in markets are not yet efficient, investment firms do not have the cash for the services they need.

As a result, subsidies for support services are common.

IVs	PCs	BDS Area	Name of BDSP	Total Cost (USD)	Copay	Copay Amount
Aruwa	Agroeknor	Madala activation	Loud and Clear Marketing Services	\$4500	Yes	\$3,500
	Wemy	Esg finance	AETS	\$10,000	Yes	\$20,000
	Lifestore	Erp odoo	Packetclouds	\$22,706	Yes	\$800
	Omiretail	Market research and analysis	Innogen Consulting	\$23,750	Yes	\$1,250
	Mdass	Financial management	Andersenn Tax	\$18,000	Yes	\$1,350
	Fairmoney	Esg framework and impact report	Glove Sustainability Solutions	\$9,000	Yes	\$3,000
	Yikodeen	Digital marketing	Tilt Agency	\$8,000	Yes	\$5,000
	Revna	Go to market strategy	The Kijani Company	\$15,000	Yes	\$1,350
Inua	Forna Foods	Marketing activation	Prism	\$4,534	Yes	\$3,000
Chui	Uncover	Financial systems and processes	Figuring Limited	\$16,200	Yes	\$1,800
FrontEnd	DialAfrika	Marketing	Revgrowth	\$13,800	Yes	\$9,200
Janngo	LAfrica Mobile	Certification iso 27001	Clientis Group	\$7,000	Yes	\$4,997

In the design of the Fund's service model, we established goals for cost sharing. In donor-funded business development programs in Africa, especially those targeting startups and small businesses, cost-sharing arrangements are a common mechanism which balance donor support with demonstrations of founder commitment. These arrangements are designed to ensure sustainability, ownership, and accountability.¹

The key assumptions underlying cost sharing are:

1. **Alignment on value:** The Fund sought to benefit from the services which would build the pipeline of investment vehicles and portfolio companies and facilitate effective movement of capital while businesses gained capacity, market access, or productivity.
2. **Signaling commitment:** The processes of the Fund had several steps to ensure that the companies and investment firms were committed to the services being provided, including asking for financial or in-kind contributions where appropriate.
3. **Graduated support:** If a service expanded or was sustained over a longer time, the company would take on a larger share of costs as the business grew, or the intervention proved viable.



RISK SHARING DYNAMIC

People structurally excluded from systems are often asked to carry or share the burden of entering the system, to prove that they want to change their conditions.

1 [DCED_Demonstrating-Additionality_final.pdf](#)

Sometimes the point of the service is to influence what people care about. The market for training on gender strategies and ESG is expanding. However, it is a question of whether the market is driven by donor demand or because businesses see the value of these services.

Co-payments can create misalignment in technical assistance programs on gender inclusion and safeguarding, through which donors attempt to influence the behavior of businesses. If the service is a requirement for compliance, the co-payment becomes a cost of working with the donor, rather than a benefit of the funding. Of course, better gender strategies are a benefit to the company. However, if businesses aren't initially on board, having to pay for the service to learn about its benefits is potentially disingenuous and definitely inefficient.

Co-payments were only factored into the Fund delivery model when the firm or the company requested an extension of existing services or wanted to bolt on additional services.

Long-term, sustainable delivery models require a strong investment ecosystem aligned with a robust market for services that are aligned with the needs of businesses. Programs that subsidize service provision are not sustainable; they disperse the funding within the duration of the program. The Fund worked to ensure that our funding strengthened the viability of the investment and service markets in which we operated.

CASE STUDY

Investment firms delivering services

Investment leaders have the credibility to manage investments because they have technical knowledge and connections. Providing advice is built into the role of an investor. In a market where providing significant investment support to businesses is normal, incorporating paid services into the business model is a potentially smart approach to diversify revenue.

For women-led investment firms, providing services can be a way to build pipeline, extend the runway for fundraising and diversify revenue. An important distinction is that this is a paid service. A study by Maitri Capital in 2024 names that only 29% of women who founded investment firms work on them full-time because they cannot generate sufficient income solely from investment activities. Many supplement their income through part-time consulting or other work, including paid advisory services.² In a market where women-led vehicles are excluded for lack of track record, the provision of services creates a pathway to a pipeline and demonstrates access to deals.

In the Fund's portfolio, a handful of investment firms had formal services delivered for a fee as part of their origination or as part of their long-term business model. If we look at the broader pipeline, this percentage increases. Investment vehicles that started as an accelerator showed that they have access to pipeline, and investment leaders who were consultants showed they had market expertise.

² [Maitri Capital](#) Unlocking Capital for Emerging Female Investment Vehicle Managers in Africa

In the eyes of the market, women-led investment firms providing paid services devalues the firm. Providing services often counts against women who are leading investment firms as they are seen as distracted from the real work of investing. This is not about providing advice, but about whether they are paid for the advice. Ironically, if investment leaders had discretionary funds to enable them to walk around providing free unsolicited advice that would position them as a 'smart' investor.

Women founding investment vehicles are directly or indirectly encouraged to stay in the service role, rather than take on the role of investor, even though providing these services is a core part of the business of investing. Valuing services as a central part of investing can help shift these norms.

Conclusion

The Fund's initial design linked service delivery tightly to investment timelines, which created bottlenecks and delayed support to portfolio companies. By adapting midstream, allowing ESP to deliver services earlier, the Fund demonstrated that flexibility in timing can improve outcomes. However, the grant-based structure still imposed rigid timeframes that didn't always align with business realities. The blurred boundaries between governance and service provision also created confusion around agency and choice.

Implications

- Build flexibility into service delivery to respond to business needs rather than investment cycles.
- Clarify the distinction between governance structures and formal services to protect agency.
- Ensure service providers are engaged early and sustainably, even before capital deployment.

Services were not just support mechanisms. They were used to challenge embedded market logics such as risk aversion, short-termism, and zero-sum thinking. ESP's value creation strategy reframed services as vehicles for shifting how value is understood and where expertise resides. Services were tailored to influence company behavior and strategic direction, aligning with the type of growth being pursued, whether profitability, sustainability, or job creation.

Implications

- Position services as tools for transformation, not just technical assistance.
- Design services to challenge limiting mindsets and foster strategic clarity.
- Align services with the investment thesis to ensure they support systemic goals like dignified job creation for young women.

The Fund's delivery model demonstrated how services can be used to build a sustainable and inclusive service sector. By sourcing services from African providers and investing in local capacity, the Fund helped strengthen the infrastructure for service delivery. The model also highlights the importance of aligning services with broader economic goals, such as supporting structured informality, resilience, and safety in the workplace.

Implications

- Invest in local service ecosystems by engaging African providers and building their capacity.
- Design services that reflect and reinforce the Fund's investment thesis, including themes like market navigation and scale through specificity.
- Recognize service provision as a core part of investment strategy, especially for women-led investment firms, and challenge norms that devalue paid advisory roles.

02

Designing the services required

- Focusing on strengths in assessing needs
- Framing gender as both compliance and strategy
- Driving growth and fostering resilience

The breadth of the initiative and the terms of the funding enabled us to meet a range of needs through a diverse array of services. The Fund provided services as an investor within a fund-of-funds structure to support the investment vehicles in our pipeline, as well as a through a pool of funding for services to firms and their portfolio companies.

As we formalized investments in vehicles, the Fund made funding for services available. Services were often framed as solving the needs identified through due diligence and mandated within the conditions precedent, terms that needed to be met to advance investment decision-making. When services are conditions of investment, investors define which services are provided based on their assessment of investment risk.

ESP worked with investment vehicles to clear conditions precedent which were required for the investment vehicles to move through to investment. For example, if the investment firm needed to recruit a Principal, ESP would help hire a recruitment company. If the firm needed impact measurement tracking, ESP would help with that.

ESP also conducted a full assessment of each of the investment firms and the portfolio companies. This process ensured that firms and companies could work through their understanding of their own needs and choose which services they wanted. The investment vehicles also had a say in what their portfolio companies needed.

The Fund was also trying to influence the behavior of companies to ensure that they were addressing power dynamics within their markets and throughout the process, increasing young women's access to quality jobs. Therefore, we balanced the self-assessment that companies and investment firms did with the compliance needed to align with the goals of the Fund.

Services tied to gender are often named in terms of compliance. While the services offered ended up being a favorite part of the Fund structure for those involved, they were initially greeted with some suspicion. Services as gifts can be wonderful, but not if there are strings. Investment vehicles considering taking investments raised concerns about the burden of requirements, which shifted the dynamics around choice. We needed to be clear about where there was choice, and where the Fund had requirements to meet.

Another broad choice was about services that drove growth or supported stability. Value creation services and business development services center their value on driving growth. The needs assessment sometimes reflected a desire for growth, but just as often a need for stability and resilience in the face of crisis. The portfolio companies who received services were at varying stages of development, with many early-stage businesses still clarifying fundamental aspects of their operations.



Typical needs identified by companies:

- Defining target markets and customer segments
- Developing go-to-market strategies
- Establishing product-market fit
- Implementing appropriate governance structures
- Ensuring compliance with regulatory requirements
- Building appropriate team structures

African businesses often operate within economies shaped by historical underinvestment, structural inequalities, and limited access to global financial systems. While the opportunities are known, they tend to come with a long list of caveats and needs that must be fulfilled before an investment can be made. Women leading companies are characterized as needing support and those leading investment firms are seen as not quite yet 'investment-ready.' The Fund worked to ensure that, wherever possible, we were providing services that built on strength rather than focusing on fixing deficits.

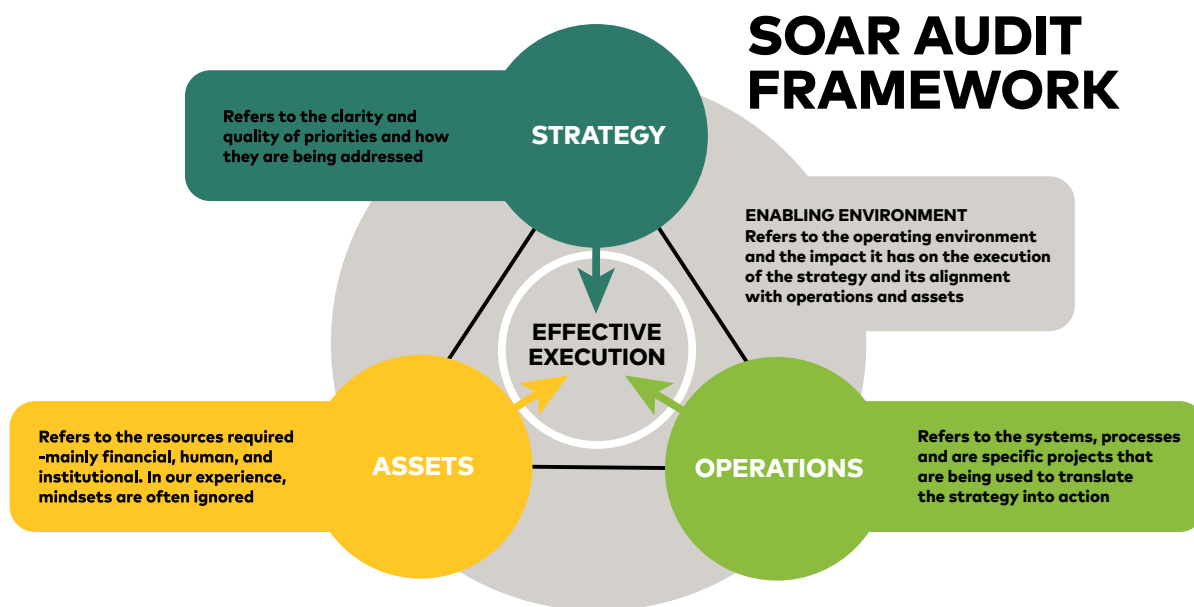
Focusing on strengths in assessing needs

It is a truism in selling consulting services that if you are a hammer, everything looks like a nail. Too often, needs assessments focus on weaknesses rather than strengths because these create gaps that can be filled by services.

A holistic value creation approach sees the business in the context of the market and then delivers services appropriately, identifying blockers to growth and co-creating models that free up agency, ambition, and alignment.³

Value creation must be about investing in what people do and what they represent, honoring entrepreneurs as builders of systems, not just recipients of aid or capital. It is not about fixing companies or filling gaps but about creating long-term economic strength. A failure to recognize this translates to African entrepreneurs and executives who are often trapped in short-term thinking, what ESP calls “the Survival Trap”, where crises and immediate demands override long-term planning.

These patterns do not just limit individual businesses; they shape how entire systems define what support is needed. ESP’s work within the Fund has aimed to shift this paradigm: away from simply patching weaknesses and toward enabling long-term strategic coherence and entrepreneurial agency. By reframing how needs assessments are conducted, ESP challenges the assumption that service delivery to businesses begins with deficiency.⁴



³ <https://knowledge.wharton.upenn.edu/article/eric-kacou-on-the-rise-of-entrepreneurial-solutions-in-africa/>

⁴ <https://nextbillion.net/mindsets-and-the-survival-trap-interview-with-eric-kacou/>
<https://knowledge.wharton.upenn.edu/article/eric-kacou-on-the-rise-of-entrepreneurial-solutions-in-africa/>

ESP's SOAR™ assessment challenges a fundamental assumption about how business potential is evaluated. Instead of asking 'What's broken?' SOAR asks 'What's working that can be leveraged for exponential growth?' When ESP applies SOAR to portfolio companies, whether early-stage startups or established enterprises, it reveals that African entrepreneurs are incredibly resourceful. They've built and sustained businesses despite structural constraints, not because of external support. Rather than cataloguing deficits, SOAR identifies existing capabilities that, with strategic support, can become competitive advantages.

ESP's SOAR examines four interconnected elements that determine whether a business at any stage can execute on its growth ambitions:

- **Strategy:** Not just 'do you have a plan?' but 'are your priorities clear and aligned with market realities?' ESP has found that companies, whether newly funded or operating for decades, often have strong strategic instincts but lack frameworks to articulate them to investors or stakeholders.
- **Operations:** The systems and processes translating strategy into action. ESP's assessments reveal that operational gaps aren't always about capacity; they often reflect misalignment between strategy and available resources.
- **Assets:** Assets include financial, human, and institutional resources but critically, also mindset and culture. ESP has observed that companies acknowledging cultural assets (trust, networks, adaptive capacity) are better positioned to use external services effectively than those focused solely on financial constraints.
- **Reality/Enabling Environment:** The operating context that shapes execution. In African markets, this dimension is particularly important. Regulatory volatility, infrastructure limitations, and market informality aren't problems to fix realities requiring adaptive strategies. ESP helps companies at all stages design for the environment they're actually in, not the one investors wish existed.

ESP doesn't assess companies in isolation. For each company whether launching or expanding, ESP conducts market studies specific to their operating environment: Kenya, Nigeria, Rwanda, or beyond. This contextual analysis reveals that 'best practices' from global consulting frameworks often miss local opportunities.

Misalignment between these four elements creates execution risk at any business stage. An established company might have strong strategy and operations but need to shift mindset for new markets. A growing company might have all internal elements aligned but face enabling environment challenges requiring different interventions. ESP uses SOAR to identify where misalignment exists and target services accordingly.

From a power dynamics perspective, SOAR shifts agency in assessment. Rather than asking, 'What do investors need you to fix?', it asks 'What do you need to unlock what's already possible?' This reframing gives companies permission to define their own growth priorities rather than simply responding to investor requirements.

AGENCY DYNAMIC

Choice is tied to bargaining power and information asymmetry. Companies accept terms because they do not have (or do not believe they have) the leverage to demand something else.

//

**What do you need
to unlock what's
already possible?**

//

**What do investors
need you to fix?**

Framing gender as both compliance and strategy

Technical assistance is often used in targeted ways to support inclusive access to markets. The intention of the Fund is to improve the conditions for young women and increase their participation in the economy. This is not only about access, but about the conditions young women face in companies and markets more broadly. The Fund used its influence to push for better practices in companies, including through the services provided.

Early efforts to integrate gender defaulted to a familiar tool: gender action plans, which became the central way gender was operationalized within portfolio companies and across the Fund's internal systems. These action plans established requirements that would improve conditions inside of the companies and firms.

Many funders seeking to influence the behavior of companies use action plans as a form of compliance to ensure that gender dynamics are addressed. The action plans lay out services intended to influence the biases in the company. Training is often offered alongside as an incentive to reduce the burden of implementing the actions in the plan. The focus is usually on driving uptake: participants walk away with three simple steps. Yet whether those steps will lead to change or even transformation is not guaranteed. The focus is that the steps are doable.

BDS Intervention Areas - IVs	No of IVs
Talent management - recruitment & training	12
Portfolio monitoring & management systems	7
Pre-investment bds support	1
Gender mainstreaming	15
Esg/impact framework	5
Compliance - transfer pricing policy	1
Fundraising strategy	3
Exit strategy	1



ALIGNMENT DYNAMIC

Services that challenge norms, bias and privilege require an incentive for them to be engaged and engaged effectively.

While action plans offer structure, they also have limitations. Too often, they are performative exercises, internal documents meant to satisfy donor checklists rather than shift business strategy. They focus on policy or training commitments, rarely touching the structures of decision-making or the real incentives that shape outcomes. The Fund began with some of these compliance-based approaches but quickly learned they were restrictive as they didn't leave room for an expansive broader approach to gender. Many investment leaders had advanced practices that fell outside the bounds of simple checklists.

Services that support gender are often confined to a narrow box rather than broadening the lens to assess gender patterns and power dynamics. One of the investment leaders in our portfolio recounted an experience at a gender-lens investing training in which they were told to add a slide with specific gender metrics to their investor pitch deck to qualify as a gender-lens investor. These types of approaches, while standard, often miss the broader opportunity to analyze and shift gendered power structures within businesses and financial systems. Instead of unlocking deeper insights into how different services can address gender inequities at a systemic level and build value within firms and companies, they reinforce rigid, oversimplified definitions of what constitutes a gender-responsive investment.

The investment vehicles in the Fund resisted these approaches to gender. They were deeply committed to transforming gender dynamics within the companies and markets in which they invested. Over time, we moved away from plans as endpoints and toward integrated practices across the assessment of the business. The items in an action plan are no longer 'support' functions but crucial infrastructure that drives performance. Within ESP assessments, gender strategies evolved from compliance-based to value creation-focused approaches.

Gender became a lens through which to make operational decisions, not just a reportable outcome. We learned that when gender is treated as a box to check, it limits ambition and action. When embedded in how value is created, it unlocks entirely new forms of insight, leadership, and legitimacy.

- Gender-lens training that is gradually supporting refinement of investment strategies and processes
- Strengthening gender diversity in talent acquisition and embedding sustainability to attract investment
- Gender mainstreaming - to support the team to integrate gender in their processes, practices, policies

CASE STUDY

Gender-lens investing retreat

Criterion Institute delivered a gender-lens investing retreat to all investment vehicles within the Fund. While not named explicitly, participants assumed participation was a Fund requirement, and as such many approached it with suspicion.

The process started with one-on-one preparation calls. Most participants entered these calls with a degree of skepticism about the frameworks associated with gender lens investing. In over 90% of the calls, investment leaders described gender lens investing as something they saw as externally imposed that didn't reflect their context or their level of ambitions. Their skepticism wasn't about the value of gender itself, but about how it had been operationalized. Many equated gender-lens investing with narrow mandates and trade-offs. This perception created resistance, not to the idea of gender, but to the framing of it.

This perception shifted dramatically during the retreat. Rather than positioning gender as a compliance requirement, Criterion reframed it as a strategic lens that could deepen investment analysis and align with each leader's unique understanding of risk, opportunity, and impact. The retreat created space for participants to reflect on how gender and power dynamics already showed up in their work, and how intentional design could amplify their investment goals.

According to post-retreat evaluations, 87% of participants said they were more confident in applying gender lens investing approaches within their existing investment strategy, and 92% noted a shift in their understanding of gender from "a reporting requirement" to "a design tool". Rather than offering a prescriptive roadmap, the retreat modeled what it means to design investments with a gender and power lens, starting with each investor's context and needs and building forward.



The retreat transformed our understanding of gender-lens investing, revealing its depth beyond simply funding women-led ventures. It illuminated crucial power dynamics in the African context, providing practical insights through peer experiences. This knowledge will significantly enhance our investment and support processes, enabling us to better serve entrepreneurs across Africa.

- Retreat participant

Driving growth or fostering resilience

An early assumption in the design of the Fund is that growth would drive job creation, that 'gazelles' would create value. Gazelles are characterized by fast sales growth, rather than their absolute size. Value creation services and business development services were seen as strategic interventions aimed at enhancing a company's profitability and scalability within a market. They were necessary infrastructure for entrepreneurial ecosystems, enabling sustainable development and job creation.

Sometimes, though, the services the Fund provided did more to stabilize the business than to drive growth.

The traditional investment paradigm favors businesses that are stable, predictable, and growing consistently. This no longer reflects today's global economic reality. Instead, volatility and disruption have become constant, shaping financial markets, supply chains, and entrepreneurial ecosystems. Nowhere is this more evident than in Africa, where economies are among the most dynamic in the world, often experiencing higher currency volatility and perceived risk premiums than the global average. While this presents challenges, it also creates opportunities for investors willing to embrace resilience as a core strategy.

The most dynamic employers tend to be relatively young, and their chances of success are generally unrelated to initial size.

They accelerate when plugged into value chains, multinationals, or sophisticated suppliers.

Stronger management skills and technology adoption underpin their success.

Businesses tend to flourish in well-connected locations.

In Africa, resilience is a competitive advantage. The ability to adapt to economic uncertainty is a defining feature of successful businesses, entrepreneurs, and financial systems. This presents a compelling reason for investors to shift their risk assessment models away from outdated approaches that penalize volatility and toward strategies that value resilience. It makes sense, then, for services to follow suit.

Stability / Resilience Services	Growth/Expansion Services
Financial controls and governance – building internal systems for accountability, risk management, and cash flow discipline	Market expansion – support for entering new geographics or segments, improving customer acquisition, and scaling production.
Operational efficiency – streamlining business processes to weather shocks and maintain consistent delivery.	Innovation and product development – investing in r&d, technology adoption, and new product lines.
Safeguarding and gender integration – creating safe, equitable workplaces that retain staff and reduce turnover risk.	Fundraising and investor readiness – building capacity to attract capital and negotiate favorable terms.
Legal, regulatory, and domiciliation services – ensuring compliance and local legitimacy.	Strategic partnerships and M&A – connecting with larger supply chains, joint ventures, and export markets.
Business continuity and risk management – scenario planning, currency risk mitigation, and contingency systems.	Branding, communications, and visibility – positioning firms for competitive advantage in capital markets.
Leadership resilience and mentorship – strengthening management under uncertainty, particularly for women-led firms.	Digital transformation – using technology to accelerate productivity and access to new customers

In this context, services that build resilience can be seen as a competitive advantage, helping companies mitigate risk rather than dampening opportunity. Businesses that prioritize adaptability and long-term sustainability also foster economic agency, particularly for women and youth. This ultimately contributes to building more inclusive and sustainable economic ecosystems, in addition to generating financial returns.

While the pursuit of stability is often an illusion, resilience over time is a tangible, measurable asset. Designing for resilience is also as much about who delivers the services as the components of their design. Investors who recognize and integrate local expertise into their strategies can drive sustainable growth while positioning themselves at the forefront of Africa's evolving financial landscape.

Conclusion

The Fund's experience showed that even within current power dynamics, service delivery can be improved through clearer processes and more responsive design. Services tied to investment conditions often blurred the line between support and obligation, limiting the agency of investment recipients. By clarifying what is required versus optional, and by adapting service timing to the operational realities of lean teams, the Fund was able to increase trust and uptake. Strength-based assessments like SOAR helped shift the narrative from fixing deficits to building on existing capabilities, improving the relevance and impact of services.

Implications

- Clearly delineate mandatory versus optional services to protect agency.
- Use strength-based assessments to identify opportunities, not just gaps.
- Adapt service delivery schedules to match business capacity and timing.

The chapter challenges the assumption that services are simply technical fixes or compliance tools. Gender services, for example, were initially met with skepticism when framed as donor requirements. When reframed as strategic infrastructure, tools for improving governance, leadership, and market positioning, they became more effective and valued. Similarly, the assumption that growth is the primary goal of all services was challenged by the reality that many businesses needed stability and resilience. Services must be designed to reflect the ambitions and lived experiences of African entrepreneurs, not imposed from external models.

Implications

- Reframe gender services as strategic tools embedded in business operations.
- Design service portfolios that support both growth and resilience.
- Ensure services reflect the ambitions and context of African businesses, especially those led by women.

The Fund's approach to choosing services revealed opportunities to reshape the broader service sector. Services must be aligned with the Fund's investment thesis: supporting market navigation, structured informality, resilience, scale through specificity, and safety. To do this, they must be designed to shift power, valuing local expertise, sharing risk equitably, and aligning incentives across funders, providers, and recipients. Building a robust, context-aware service ecosystem is essential for enabling businesses to thrive and creating dignified jobs for young women.

Implications

- Align services with the Fund's investment thesis to support systemic change.
- Invest in translation functions to bridge funder language and business realities.
- Create feedback loops to continuously refine service relevance and impact.
- Support service providers with contextual expertise and sustainable business models.



03

Engaging service providers

- Business models of service providers
- Privileging knowledge of context
- Formalizing local knowledge economies

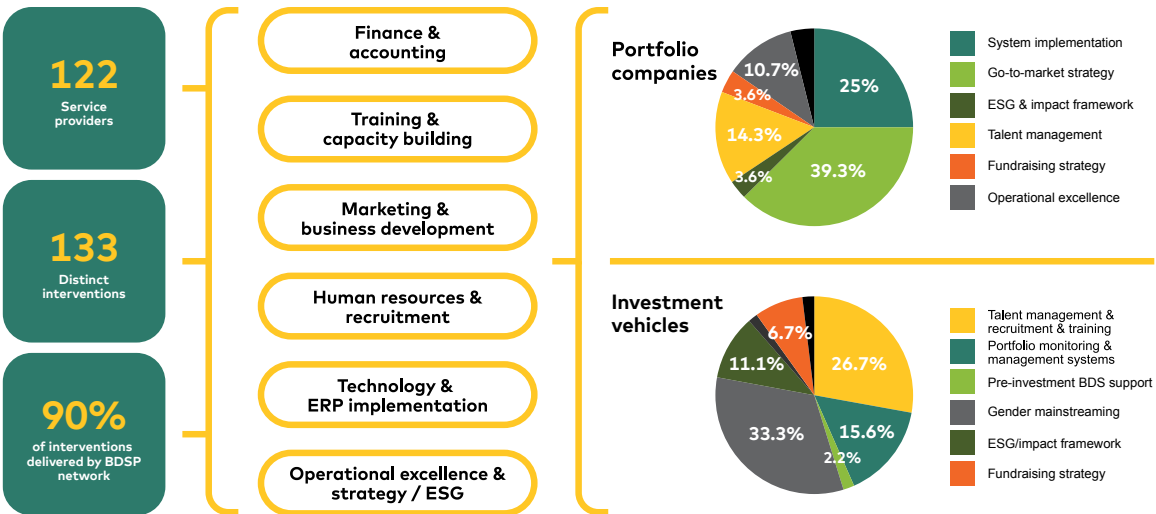
Service providers enable companies and investors to achieve their goals. They also play a strategic role in building ecosystems, standardizing terms, and establishing necessary infrastructure.

Yet they are an economic driver in and of themselves: the knowledge economy is increasingly central to the global economy.⁵ As of 2025, Africa's management consulting market is valued at approximately \$3.76 billion, and is projected to reach \$4.46 billion by 2030, growing at a 3.48% compound annual growth rate.⁶

The Fund sought both to draw from the ecosystem of service providers in Africa and to strengthen this ecosystem. As the Fund will engage well over a hundred providers to serve hundreds of businesses, we wanted to learn about the broader market and the local communities of providers in addition to the services bought.

Shifting the dynamics in the ecosystem of business service providers requires paying attention to the structure and terms of the engagement in addition to the patterns that shape the broader service infrastructure. For long-term sustainability, this infrastructure requires viable business models that can respond to the needs of businesses, grounded in contextual knowledge and able to navigate the power dynamics of who pays for services and what investors demand.

The Fund's service delivery model was designed to strengthen not only individual enterprises and investment firms, but also the broader infrastructure of technical assistance and the financial models that sustain it. A core strength of the Fund's approach was its tailored model, which drew on a diverse set of specialized service providers ranging from ESG consultants to accounting, tech audit, and HR experts, who could address the specific, identified needs of portfolio companies and investment vehicles.

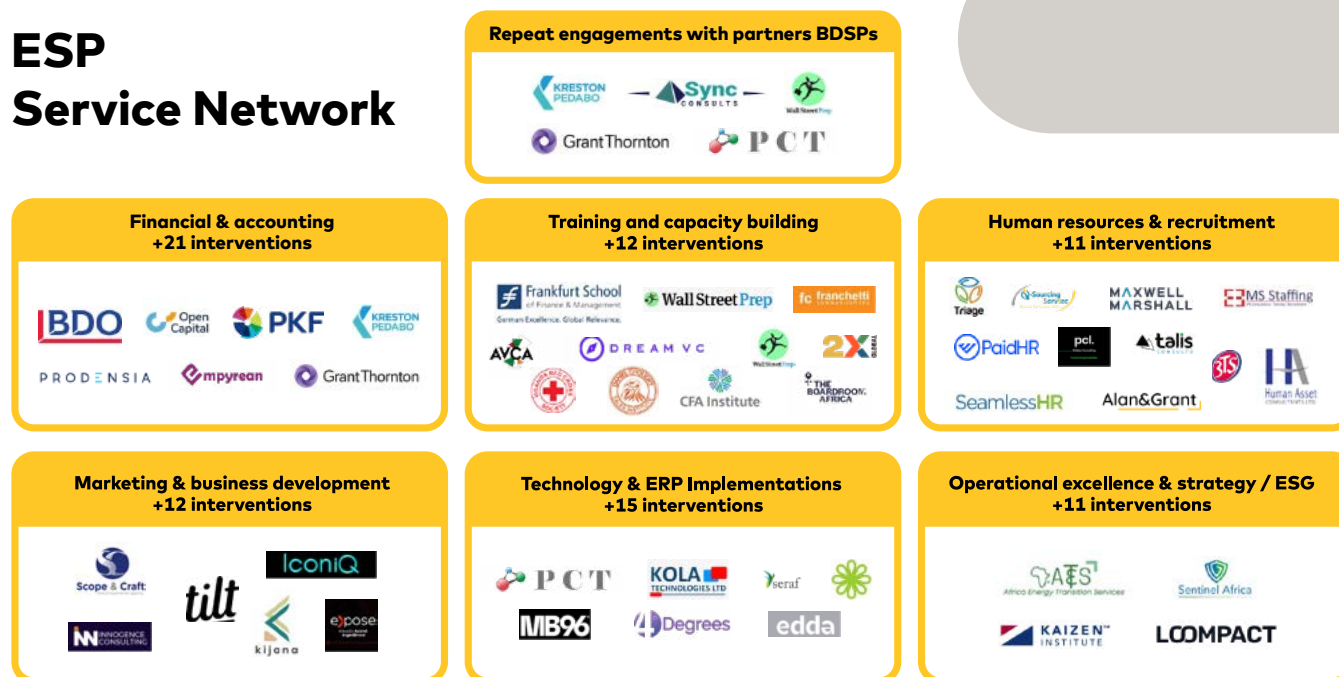


5 As an example, Rwanda's vision 2050 names a strong commitment to a knowledge-based economy equipped with a skilled (youth driven) workforce aligned with market needs. So far, 23,000 youth trained in market-driven skills showed a real gross domestic product growth of 9.7% in Q1 2024, showing resilience and momentum. [www.worldbank.org]

6 [Africa Management Consulting Services Market Size, Share & 2030 Growth Trends Report](#). This represents 1% of the 330.2 billion global management consulting market in 2025. [Global Management Consulting Services Market Report 2025 Edition, Market Size, Share, CAGR, Forecast, Revenue](#)

The vast majority (90%) of the interventions were delivered through this service provider network developed by ESP, who began to build a village of service providers as a result. The connections within this network formed their own linkages, further driving growth and resilience.

ESP Service Network



To be effective, service providers need to be grounded in context. Otherwise, service delivery risks being perceived as an external imposition, a set of services bolted onto companies, driven by funder priorities, and disconnected from real needs. From the beginning the Fund was designed to be led by Africans, and the services delivered largely by Africans. Within the Fund, portfolio companies were able to choose who they worked with. And they often wanted to work with local providers so they could build long-term relationships.

In year three, the Fund brought on new partners to be able to go beyond service provision and expand the infrastructure of the ecosystem through their collaborative efforts. The Fund added shared services and capacity development (led by KFSD with Kuramo Capital and Solt Advisory) and mentorship (led by African Womentor, with Triple C and ZARE providing gender and technology expertise).

Together, these activities address both the operational and leadership gaps faced by women-led investment vehicles. They reduce costs, improve governance, and simultaneously build a strong pipeline of young women leaders in investment finance.

Business models of service providers

Shifting the ecosystem of service provision in Africa requires an understanding of what drives the business models of service delivery firms. Overall, these service firms do not have significant room for error. Service businesses overall run on thin margins, but these business models are even more fragile in a market that is in formation. That reality drives up the costs of sales, the complexity of acquiring talent, and the risks in meeting expectations in delivery.

The business models of service firms constrain the development of a sustainable ecosystem. The price of service, payment terms and design of the project can create more room for innovation and development.

What follows is a summary of the drivers and how they influenced the implementation of services within the Fund.

Business development services

Business development services providers sell technical services to support specific business needs. This could be in the form of project fees for specific services, retainer-based advisory for ongoing support, a retainer-based or success fee for offering market entry or access, and investor matchmaking. To diversify dependence on revenue streams and decrease overhead, advisory services are embedded in the revenue model of a related entity such as investment firms, accelerators and incubators.

Many businesses in Africa pay for business development services but these are also typically built into programs focused on economic development in the continent. The partnerships built with the Fund mimicked partnerships with third party payers such as development finance institutions, foundations or donor agencies for subsidized services.

Technical assistance

Technical assistance is often a budgeted element of a broader initiative (led by an NGO) funded by foundations or donor governments who want to target governance, compliance, and capacity building. Or they are built into public-private partnerships for sector-specific support in, for example, agriculture or healthcare.

Because technical assistance is often paid from grant funding from international donors the fees are fixed. Margins on this can be narrow, therefore there needs to be replicability. Scale comes through standardized toolkits and regional replication. This factor in the business model is one of the impediments to contextualized technical assistance: there simply isn't revenue for significant adaptation.



RISK SHARING DYNAMIC

Is success for the service provider determined by the company or company firm who receives the service, or the entity that funds the service?

There is also a significant cost of managing the complexity of broader initiatives. Smaller service firms or individual providers cannot manage the financial relationships with bigger firms. These firms build a reputation with governments or foundations and excel at delivering technical assistance aligned with their interests.

Investment readiness programs

Investment readiness programs demonstrate their value through alignment, successful alumni and proximity to investors and therefore seek partnerships with venture capital and angel investors.

While investors may participate in events and value a partnership for access to deal flow, they are often not willing to pay for separate investment readiness programs. This is because they want to work in markets that already have an investment-ready pipeline, or they have already internalized those costs within their revenue model.

Foundations and donor governments provide grants for investment readiness programs. Grant-based funding drives toward project-based models such as structured cohorts with curriculum, mentorship, and pitch events. The Fund partnered (and funded) investment readiness programs in the market.

As ESP delivered pre-investment support to an investment vehicle's pipeline companies, they tailored the support to ensure the services moved enterprises to the next stage of the investment process.

The Fund's partners with investment readiness programs



Coaching and mentoring

While it is possible to build a revenue model around coaching and mentoring and the perceived value of personalized support is high, many if not most of these services are delivered through informal, unpaid agreements. Investment managers coach the business as part of the business model. While these informal agreements are valuable, and the relationships built are priceless, it does make it harder to scale or hold participants accountable.

The Fund partnered with African Womentor to build a sustainable model for mentoring young women in the investment ecosystem.

Peer-to-peer learning

Peer-to-peer learning revenue models require that the network or platform demonstrate value to all the participants. Membership revenue means that participants see the value of learning and access to a broader network. Trust and community drive retention and referrals.

The service can also be sponsored by someone who will pay for access to the network. This model is only viable if the audience in the network is valued and is often used to build networks of high-profile leaders or wealthy individuals. Ironically, those most able to pay for the service are also the people sponsors want to target for access and visibility in the market. For audiences deemed less attractive to sponsors, peer-to-peer learning models are funded by third parties, a foundation or a donor government.

The precariousness of funding means that the service relies on low delivery cost with high engagement and this model is increasingly moving online. Despite this, peer-to-peer is consistently named as valuable to participants, even if they are often unwilling or unable to pay for it.

Main Topic	Focus Areas	Location	PCs/IVs Participated/ Targeted	Names of PCs/IVs Participated/Targeted	Facilitator	Dates
Gender-lens investing	Gender-lens investing	Abidjan	Investment vehicles: 9	Aruwa Capital, Chui Ventures, Five35, Janngo Capital, Kazana, SEFAA, Sahara Impact Ventures, RIN and VestedWorld	Criterion	March 5-7, 2025
Growth strategies	Expansion strategies and governance	Nairobi	Private companies: 9	ShopZetu	Ken Njoroge Eric Kacou	March 24
Tax laws, transfer pricing and tax advisory	- Corporate tax - Wht overview - Transfer pricing - VAT - KRA audits - Recent tax changes brought about by the tax laws amendment act 2024	Nairobi	Private companies: 6 investment vehicles: 2	Chui: Uncover, ShopZetu, Tappi, Lami VestedWorld: Mamuy, Eyewear, JackFruit Finance, Lifecheq, Zana FrontEnd: DialAfrika, Intasend, Buupass, Twiva, Okoa, Gobebe, Bulkbox	Grant Thronton Kenya	March 27-28
Turning metrics into momentum	The value of impact/GDEI/ ESG data reporting and how to integrate these into operations	Nairobi	Private companies: 14	Attended by 27 Private Companies and 10 Investment Vehicles	Impact – Genesis Analytics ESG – Aryana Shahrazad GDEI – Wanjiku Ngunjiri	Aug 7, 2025 Aug 14, 2025 Aug 21, 2025
Reflections of a resilient innovator and ai powered growth hacking	- Resilience and adaptability - Learning from failure - AI driven insights for scalable growth	Nairobi	Private companies: 14	Chui Venture's Private Companies sessions held at the Investor Summit	Ken Njoroge Jack Ngare	Sept 11, 2025
Sustainable agri-business & green financing pathways	Agri-business opportunities and funding pathway	Virtual	Private companies	Targeting Private Companies in the Agri-business sector	TBC	TBC

Shared services and business process outsourcing

Outsourcing models have been driven by global clients looking for reduced cost service centers. The question is how to direct those services to Africa, to give businesses on the continent the same benefits.

The Fund, with service delivery partners such as Solt Advisory, was able to invest in adapting the development of service infrastructure to ensure it meets the needs of the African investment ecosystem, for example the distinct needs of investment vehicles domiciled in Africa.

The size and scope of the Fund reduced some of the risks to service providers and allowed them to try out service delivery adapted to the local context without incurring the costs of adaptation.

Value creation services

Value creation services require a high-margin, longer-term engagement to manage the costs of a bespoke approach and to attract talent that can provide unique value to clients. Bigger contracts can lead to cycles of feast or famine which can disrupt innovation.

Sometimes, performance-based contracts are tied to measurable improvements, such as increased profitability. Most often, firms providing value creation are tied to capital, particularly systems-level capital that is looking at shifts in the market overall, rather than improvements in a single enterprise. This means they invest not only in individual service lines but also in broader knowledge of the markets in which they operate. Firms like ESP are not only participating in the market but trying to shape it.

Prepayment can provide financing for the service business to build out or adapt their processes. Building the costs of innovation or adaptation into the price of the contract can spur firms to model practices and create a race to the top in a market. Grant funding can drive innovation. The scale of the Fund enabled ESP to be able to implement services the way they wanted to but hadn't been able to do within other budget or program designs.

Privileging knowledge of gender and context

Financial expertise is often privileged over contextual or gender expertise. Services that focus on the global context and operate within the existing norms of the market are paid a premium. Experts have flown in to say how things should work, without enough knowledge of how things really work. This undervaluation creates bottlenecks: the knowledge most relevant to meaningful services is not what the market rewards.

The Fund prioritized not only local knowledge but knowledge of gender and power. It dedicated resources to building a translation function in the ecosystem as a structure for bridging worlds: taking concepts, priorities, or practices from one system (finance, development, policy, or grassroots organizing) and reframing them so they can be understood, adopted, and acted upon in another. Translation is not simplification; it is an intentional act of making meaning across differences in power, language, and worldview. It allows actors who might otherwise work at cross-purposes to collaborate and co-create value.

Investment firms, service providers, portfolio companies, and funders each bring distinct perspectives on capital, impact, gender, compliance, and market realities. Without translation, these languages clash or collapse into compliance checklists. With translation, they can be aligned into a shared agenda for transformation. Translators must hold knowledge of both finance and gender, or both legal systems and entrepreneurial realities.

Service providers who act as translators must package their expertise as services that clients are willing to pay for. This business model creates a structural limitation: the service provider's survival depends on meeting the client's expressed demand, not necessarily on challenging the system or shifting deeper power dynamics. For example, a gender consultant may sell a gender action plan because that is what an investor is asking for, even if what is really needed is a conversation about incentives, governance, or organizational culture. Translation, in this sense, is shaped by the market: what gets bought is not always what creates systemic change.



EXPERTISE DYNAMIC

What rates are paid for different types of expertise? How is contextual expertise valued in service delivery business models?

Unlike legal or audit services, which are standardized, translation is a relational and contextual process that is often invisible. There are few incentives for entrepreneurs or investment firms to demand translation services directly. Instead, translation is often embedded into donor-funded technical assistance or bundled into advisory services, making it fragile and dependent on external capital. For a translation market to form in Africa, funders and intermediaries would need to recognize it as infrastructure and invest in its development, not as an add-on service but as a public good that benefits all ecosystem actors.

Translation functions are underdeveloped as a market where there are a key set of buyers who want to hire experts who know gender and finance. Translators sit between actors with different incentive structures: funders focused on reporting, investment vehicles focused on capital deployment, entrepreneurs focused on survival. Without deliberate alignment, translation risks becoming a compliance exercise rather than a strategic function.

Through its consortium of actors, the Fund has built a translation infrastructure:

- Providers such as ESP who move between the Fund and portfolio companies with the credibility to translate contextual and gender knowledge into investable business strategies.
- Investment leaders in MEDA and the core partners of the Fund who translate investor requirements into structures and processes that can work in a local context.
- Specialist services providers such as MEDA's gender experts, who reframe technical expertise into usable tools for entrepreneurs and investors.
- Investment leaders within the investment vehicles in the Fund with enough knowledge of local context to be able to translate it for their investors and the broader ecosystem.
- As a leader in the field of gender-lens investing, Criterion Institute was able to translate the knowledge of gender patterns held by civil society in Africa into tools that can be used within the investment ecosystem.

 ALIGNMENT DYNAMIC

A well-structured translation function in Africa would explicitly consider incentive design: who pays for translation, who benefits, and who is held accountable for its outcomes.

Formalizing local knowledge economies

The Fund's hiring process for service providers is both structured and adaptive, designed to ensure quality and fit for each engagement. It begins with a thorough scoping of the work required, after which ESP solicits multiple quotes and reviews detailed proposals from potential providers. ESP also actively leverages its network and the network of Consortium partners for referrals and considers the reputation of providers within the industry.

Many providers are introduced through trusted contacts or have already established a track record, leading to repeat engagements for those who perform. Feedback from the portfolio companies is also a critical part of the vetting process, helping ESP refine its provider list over time.

This approach ensures that the process is not anonymous or random, but rather relationship-driven and responsive to the needs of the businesses involved. Risk management and compliance are central. All consultants and service providers are required to meet certain formalization standards, such as submitting professional profiles and CVs, and completing Know Your Customer (KYC) protocols.

Supporting service providers is a key priority for ESP, and the organization is attentive to the challenges that providers may face, such as the burden of formalization and the complexities of cross-border payments. Its administrative process includes navigating complex invoicing requirements and implementing anti-phishing safeguards to protect both the organization and its partners. Contracts are centralized, which allows ESP to manage cross-border compliance efficiently, including handling VAT and withholding taxes in various jurisdictions. In some cases, ESP even remits taxes directly to the relevant authorities on behalf of vendors. These measures help mitigate risks associated with fraud, regulatory non-compliance, and financial mismanagement.

Through ESP, the Fund provides guidance and support to help providers meet administrative requirements and is thoughtful about when to require co-pays from portfolio companies. Rather than imposing co-pays at the outset, ESP typically reserves them for larger or longer-term engagements, allowing time to build trust and demonstrate value before asking for financial participation.

This approach not only supports providers but also helps portfolio companies see the benefit of the services before making a financial commitment. Throughout the engagement, ESP gathers feedback from both providers and PCs, using this information to inform future selections and continuously improve the process. This approach enables ESP to foster a thriving ecosystem of high-quality service providers that contribute to the growth and success of the businesses it serves.

Formalization can expand who can participate in the local knowledge economy. Instead of reinforcing centralized services in a few large, often foreign-owned corporations, indigenous service providers can work through regional trade networks to enable a more distributed model of economic activity. Models that structure or organize informality provide an avenue to scale. The drive to formalization should not impede the value that comes from actors whose expertise comes from their experience in local market. Standardization must allow for adaptation to context.



ALIGNMENT DYNAMIC

Paid services drive the growth of the service sector. How can the informal exchange of knowledge and services not be devalued in the process?

This drive to build structures that allow informal economic activity to be formalized aligns with the broader investment thesis of the Fund. It honors that in a future in which both formal and informal activity co-exist, Africa's informal economy is not a problem to be avoided, but an opportunity requiring structural innovation, aggregation, skills development, and appropriate design.

Conclusion

The Fund's experience revealed that service providers operate within fragile business models, especially in emerging markets. Thin margins, unpredictable demand, and donor-driven timelines create risks that limit innovation and sustainability. The Fund's approach, such as prepayment, flexible contracting, and relationship-driven procurement, helped mitigate these risks and improve immediate outcomes. By formalizing providers and offering administrative support, the Fund reduced barriers to entry and improved service quality.

Implications

- Use prepayment and flexible contracts to reduce risk and enable adaptation.
- Support providers with administrative infrastructure (e.g., Know Your Customer protocols, tax compliance).
- Build trust through relationship-driven procurement and feedback loops.

Service providers are seen as support, but the Fund reframed them as central to ecosystem transformation. By privileging contextual and gender expertise, the Fund challenged norms that elevate financial and technical knowledge above lived experience. The creation of a translation function that bridges finance, gender, and local realities demonstrated how service providers can align diverse actors and catalyze systemic change.

Implications

- Recognize service providers as knowledge holders and ecosystem builders.
- Invest in translation functions that bridge power, language, and incentives.
- Value contextual and gender expertise on par with financial and technical skills.

The Fund's engagement with over 100 African service providers showed that building economies grounded in services is a path for forming strong economic markets and as a result driving job creation. By building a network of providers and investing in shared services, mentorship, and capacity development, the Fund helped formalize local knowledge economies. These efforts laid the groundwork for a more distributed, resilient, and inclusive service infrastructure that reflects African contexts and supports young women's economic participation.

Implications

- Invest in the service sector as a strategic part of the economy, not just a support function.
- Expand shared services and mentorship platforms to reduce costs and build capacity.
- Promote models that structure informality and enable local providers to scale through regional networks.

04

Delivering services

- Managing relationships in delivery
- Services fostering market navigation
- Driving market formation

Services paid for by investors are intended to reduce their investment risk. On the other hand, businesses regularly purchase services to be able to help leadership manage their business risks. These results only occur when there is a trusted relationship, and this level of trust creates vulnerability.

ESP's assessment process gave permission for investment firms or portfolio companies to ask for the service they wanted. That agency then shifted the power dynamics within service delivery.

While informal relationships build trust naturally, service delivery requires the intentional development of trust within a contract. Contractual agreements create a formal structure and a set of rules that can guide the terms of the relationship. Informal advice often lacks clear boundaries.

Even if they were not always aware of their power, those receiving services often ended up driving when those services were delivered. The reality of running a business or investment firm meant sometimes they simply could not respond to service providers. The company or the firm's ability to use the services was driven by their day-to-day realities and whether they could take time away to engage.

The Fund recognized the operational realities faced by portfolio companies, particularly the challenges of implementing recommendations with lean teams. Many portfolio companies operate with teams in which key personnel wear multiple hats. Companies often lack dedicated staff to drive new initiatives.

When investment managers work with their pipeline, they engage directly in providing investment readiness. Women building investment vehicles describe being inundated with 'helpful' comments about what they should do. When these come from someone looking to provide capital, the advice can seem like an obligation rather than a suggestion.

Managing relationships in services

Managing relationships in service delivery requires navigating both trust and expertise. It's also about recognizing that success is rarely just about the technical quality of the service; it is about the relational dynamics that shape how that service is received. While services often emphasize the credibility, knowledge, and past experience of the provider, the true measure of impact lies in whether a relationship of mutual respect and trust is established. Across the Fund, both investment teams and consortium partners provided informal coaching and mentoring to investment firms and portfolio companies that stemmed from relationships, not contracts.

This dynamic became especially visible in interactions between investment managers and potential investees. Traditionally, advice from an investor carries implicit authority, and recipients may feel obligated to accept it, regardless of whether it aligns with their needs or whether they were even open to receiving it. The Fund intentionally worked to shift this power dynamic, emphasizing the importance of asking permission before offering guidance, and recognizing that advice is most impactful when it is welcomed rather than assumed. This relational approach respects the autonomy of the entrepreneur and repositions the investment manager as a partner, not a superior.



RISK SHARING DYNAMIC

The less powerful player may feel that they need to trust, even if they are unsure, and those in power do not feel the need to earn or maintain trust. How is this dynamic checked?

Coaching and mentoring requires trust. Formal programs or services can support the development of clear agreements. To explore formal approaches to coaching and mentoring the Fund built a partnership with African Womentor which is building networks of investment leaders in the continent to mentor young investment leaders. African Womentor is a cascading, pyramidal and scalable mentorship program integrating training and sponsorship to accelerate the career advancement of African women with a focus on women in the African investment sector. The first cohort analysis showed most mentees are in their thirties showing that mentorship interventions must address mid-career advancement as a critical leverage point. In addition, we partnered with Karamu (who had also worked with many of the investment firms in the portfolio in their accelerator) to provide a formal coaching program.

Exchanging ideas in relationships requires entrepreneurs, investors, and fund managers to expose what they don't know including their blind spots, failures, or discomfort. This vulnerability can be risky in competitive capital environments. A translation function must therefore manage trust carefully, protecting entrepreneurs from being penalized for honesty while ensuring that investors see transparency as a strength, not a weakness.

There is a general distrust of mandated services providers. Companies have had bad experiences with service providers that they did not choose. What is the risk to the provider in delivering a service? If people were trained on issues like gender without buy-in then there could be myriad reasons why the person didn't like the training, framed within whether they wanted it at all.

 TRUST DYNAMIC

How is vulnerability managed in relationships? Did the person receiving advice give permission? Are the terms of the relationship clear?
Are there mechanisms to enforce agreements?

ESP's approach to restitution meetings exemplifies its commitment to building trust, ensuring alignment, and addressing power dynamics within the investment relationship. Held approximately one month after the SOAR audit, these sessions are carefully structured to engage the portfolio company's leadership directly to ensure that those with decision-making authority are both informed and empowered. From the outset, companies are made aware that restitution is not a performance evaluation but a core part of the post-investment support process, reinforcing a shared understanding of mutual accountability.

The format is designed to allow for meaningful dialogue, with 90 to 120 minutes dedicated to unpacking the findings. Crucially, the session begins with ESP presenting their understanding of the business, inviting portfolio companies to correct, clarify, or expand on that view. As the SOAR rubrics are reviewed, ESP highlights both strengths and areas for improvement, fostering a two-way conversation rather than a prescriptive directive. Founders are encouraged to ask questions, seek clarification, and express concerns. This process strengthens relational trust, creates space for feedback, and models an approach to value creation rooted in transparency, mutual respect, and contextual understanding.

Services fostering market navigation

To ensure women not only gain access to markets but also have the power to navigate them, services must address structural barriers to regional trade and economic participation. This includes investing in the infrastructure and capacity needed for women entrepreneurs to thrive such as funding cooperative formation, access to productive equipment, and reducing logistical and bureaucratic barriers to cross-border trade.

Service companies play a pivotal role in shaping standardized practices across markets, which can significantly benefit companies by enabling consistent reporting and operational alignment. As businesses expand across borders and sectors, the need for coherent systems and shared infrastructure becomes increasingly vital. This is especially true in complex environments like fund management, data tracking against shared metrics and regional financial ecosystems.

By strengthening the local knowledge economy, the Fund advanced a core part of its investment thesis around navigating markets. Service delivery builds local knowledge and increases the ability to navigate systems. Local economies require local knowledge. A stable system of service providers is part of market navigation.

By focusing on the specific needs and constraints of local and regional markets, the Fund can encourage investors engaged in intra-African trade to develop innovative, context-appropriate solutions. These solutions support value chains that empower communities rather than disrupting or displacing them.

Beyond direct business support, services also address policy and regulatory challenges. This includes funding ecosystem bodies and civil society initiatives that collect data and advocate for strategic policy change in favor of gender equity in trade and entrepreneurship. The Fund collaborates with governments, trade associations, and community organizations to advance supportive policies and ensure implementation.

**Specific services supported
companies to navigate markets:**

- > Market entry into new regions**
- > Go-to-market strategies**
- > Market intelligence -
accurate mapping of clients**

The ability of service providers to build common practices and shared infrastructure is essential for fostering scalable, resilient, and coherent business ecosystems. Services scale not through efficiency or technology alone, but through coherence, shared logic, trusted relationships, and alignment between those who design services and those who use them. Legal, governance, ESG, and gender integration functions must evolve as a connected system, each reinforcing the other through standardized yet flexible approaches.

By seeing and redressing gender inequalities, removing structural barriers, and serving unmet needs, the Fund can provide services that intentionally shift power in market systems to create

future pathways for young women along economies, communities and value chains.

Investment vehicles themselves are part of that knowledge economy. Whether their services are paid for directly or indirectly as a cost of the Fund, they hold knowledge of the local economy and have the connections to be able to facilitate market navigation. Several firms within the Fund's portfolio also played a facilitative role. They used their knowledge to provide both capital and services to support the ability for companies to navigate markets. This was done by creating structures that support the transition to formality or the decision to remain informal but participate through structures that facilitate access and connections.

Businesses that scale through localized, context-aware models are likely to demonstrate greater resilience and adaptability than those attempting to standardize into a centralized model around a homogeneous customer base. Standardization is not about homogenization but about translation, turning diverse local practices into systems that communicate effectively across borders and capital flows.

Driving market formation in the service sector

Shared service models enable economies of scale, which are especially beneficial for small and medium enterprises that lack access to high-end services. By pooling resources, smaller companies can afford professional services like audits, HR management, and IT infrastructure.

These services build common practices across a market. This can benefit a company, as they can report in a way that is standard in the market. It transforms support into shared infrastructure, enabling investment firms and companies to access legal, communications, and gender integration tools through a unified platform.

Shared services are increasingly seen as part of continental financial architecture, supporting investment flows and regional cooperation. They enable hub-and-spoke models where financial centers collaborate across borders to deliver services and manage capital.⁷ Shared services offer scalable solutions for growing businesses and help build resilient ecosystems by standardizing processes and improving transparency.

The business model of service delivery is that someone needs to be able to buy the service and the service needs to meet the expressed demand of the buyers. As a result, services often lag in the market, then respond once demand is created, but they do not necessarily drive demand.

⁷ [Unleashing Africa's investment potential - OMFIF](#)

Fund innovation



Leads the implementation of Shared Services and Capacity Development activities.



Provides fund structuring, governance, and investor readiness expertise as part of shared services.



Supports delivery of subsidized shared services including legal, audit, finance, and fund administration.



Supports companies to embed sustainability into business models and strategic decision-making, aligning commercial performance with long-term resilience.

Structures are heavily regulated, and there is a significant push in Africa to shift the regulatory environment, a systems change goal that the Fund wants to support. One of the roles of the service companies within a market is to establish common practices that align with market standards. This is particularly valuable for companies operating in specialized jurisdictions, such as Delaware-based fund management structures, which often incur additional costs due to regulatory and operational requirements.

Similarly, the domiciliation initiative experiences show that tools alone are insufficient to create a scalable, coherent market of services. Services are most effective when decentralized but connected. Connecting them allows them to drive market formation, rather delivering isolated service transactions.

CASE STUDY

Domiciliation

By requiring that investment vehicles domicile in Africa and providing services to support that requirement, the Fund drove market formation.

If development finance institutions dominate a market, then they will value and pay for domiciliation in their preferred locations, which means services to firms domiciled in Africa do not have the traction to build businesses. Service providers who work on gender have a difficult time selling services that are directly intended to challenge the norms of the market in which they are operating.

The Fund's partnership with Momentus Global Consulting, Stafford Law, and Samawati Capital through the Domiciliation Collaborative led to a study of domiciliation which includes attention to the service delivery infrastructure required to be able to domicile locally.

The study identified how standardized legal, administrative, and compliance services can reduce operational friction for locally-domiciled funds. It proposed a Domiciliation Maturity Diagnostic Tool to help countries assess readiness across four dimensions: regulatory clarity, service provider capacity, infrastructure reliability, and ecosystem coordination. This tool provides a model for how standardization can create coherence, not uniformity, by aligning diverse market actors around shared operational norms. These efforts form part of a broader push to design local financial infrastructure that can attract and sustain local capital, building coherence between fund governance, service provision, and regional investment ecosystems.⁸

These challenges highlight the importance of shared services that accommodate the unique demands of local domiciliation. To address this challenge, the Fund partnered with Solt Advisory to develop (and deliver subsidized) fund administration services appropriate for investment vehicles domiciled in Africa.

By building stronger, investor-friendly jurisdictions, Africa can position itself as a competitive and preferred destination for fund domiciliation, ultimately unlocking capital flows, strengthening local financial systems, and driving sustainable economic growth across the continent. Collaborating with stakeholders, including regional organizations and financial hubs like Mauritius, is an essential part of a robust financial ecosystem.

⁸ [Study on Africa as a jurisdiction for domiciliation of investment vehicles, November 2024](#)

Conclusion

The Fund's experience revealed that the success of service delivery depends not only on technical expertise but on the quality of relationships. Trust, timing, and agency were central to whether services were used effectively. Informal coaching and mentoring, restitution meetings, and flexible engagement helped manage vulnerability and build trust. However, the reality of lean teams and operational constraints often limited companies' ability to engage, requiring more adaptive delivery models.

Implications

- Build trust through relationship-based service delivery, not just contracts.
- Recognize and accommodate the operational realities of portfolio companies.
- Clarify boundaries in informal and formal advisory roles to protect agency and avoid unintended influence.

Services were not just about business support; they were essential infrastructure for navigating complex markets. By enabling companies to access shared metrics, legal frameworks, and regional trade systems, services became tools for coherence and strategic alignment. The Fund's approach emphasized that services scale through shared logic and trusted relationships, not just efficiency.

Implications

- Treat services as infrastructure that enables market participation and coherence.
- Prioritize services that build local knowledge and facilitate navigation across systems.
- Invest in service models that support decentralized but connected ecosystems.

The Fund demonstrated that service delivery can be a lever for systemic change. By aligning services with its investment thesis, the Fund helped shift market dynamics. Services that challenge norms and support young women's economic participation must be designed with intentionality, grounded in context, and supported by inclusive infrastructure.

Implications

- Align service delivery with systemic goals, especially those that support young women's participation in the economy.
- Invest in shared service platforms that reduce barriers for small and marginalized businesses.
- Use service delivery to build inclusive ecosystems that value local expertise and foster long-term resilience.



Conclusion

As the Fund continues to deliver services, we will continue to reframe and reimagine what is possible for current investment firms and portfolio companies, what can be accomplished through partnerships in the ecosystem, and what more could be done.

The analysis of the services provided led to a set of observations and recommendations about seeing and managing power dynamics. We have broken these out by the core dynamics analyzed throughout this report. Where possible, the Fund will seek to address these dynamics in future.





AGENCY

Who can make decisions and has real choices?

1. **Clarify boundaries between required and optional services:** Ensure companies and investment firms understand which services are mandatory and which are optional, enabling them to exercise real choice in shaping their support.
2. **Use governance structures to protect decision-making power:** Design governance and advisory frameworks that reinforce the autonomy of companies and investment firms, allowing them to reject or reshape recommendations from investors or service providers.
3. **Embed strength-based assessments like SOAR:** Shift from deficit-based needs assessments to approaches that highlight existing capabilities and allow businesses to define their own paths to growth and resilience.



EXPERTISE

What knowledge, skill, and experience is valued?

1. **Prioritize contextual and gender expertise:** Invest in service providers who bring deep local knowledge and lived experience, challenging norms that privilege external or financial expertise.
2. **Build translation functions to bridge knowledge systems:** Support intermediaries and consultants who can translate funder priorities into actionable strategies for businesses, especially around gender and impact.
3. **Validate diverse signals of authority:** Develop feedback loops and incentive structures that recognize and reward non-traditional forms of expertise, including community-based and experiential knowledge.

TIMING

Whose timeline drives the process?

1. **Design flexible service delivery models:** Allow services to be deployed before or outside of rigid investment cycles to meet businesses when they are ready and able to engage.
2. **Adapt to operational realities of lean teams:** Recognize that many portfolio companies operate with limited capacity and adjust service schedules accordingly to avoid overburdening them.
3. **Use time strategically to disrupt power dynamics:** Where possible, leverage longer timelines to build trust, foster learning, and support deeper transformation rather than rushing to meet donor or investor deadlines.

TRUST

How is vulnerability managed in relationships?

1. **Use relationship-based service delivery:** Build trust through informal coaching, restitution meetings, and ongoing dialogue, rather than transactional engagements.
2. **Ask permission before advising:** Encourage investment managers and service providers to seek consent before offering guidance, especially in informal settings, to avoid undermining agency.
3. **Create safe spaces for transparency:** Design service engagements that allow entrepreneurs and investment leaders to share challenges and uncertainties without fear of judgment or penalty.



RISK SHARING

Who bears the consequences?

1. **Use graduated cost-sharing models:** Structure co-payments so that businesses contribute only when services expand or demonstrate value, avoiding upfront financial burdens for marginalized companies.
2. **Recognize and mitigate provider risk:** Offer prepayment and flexible contracts to reduce the financial and operational risks faced by service providers, especially in emerging markets.
3. **Challenge assumptions about commitment:** Avoid using financial contributions as the sole signal of business commitment, especially when working with structurally-excluded groups who may lack resources.



ALIGNMENT

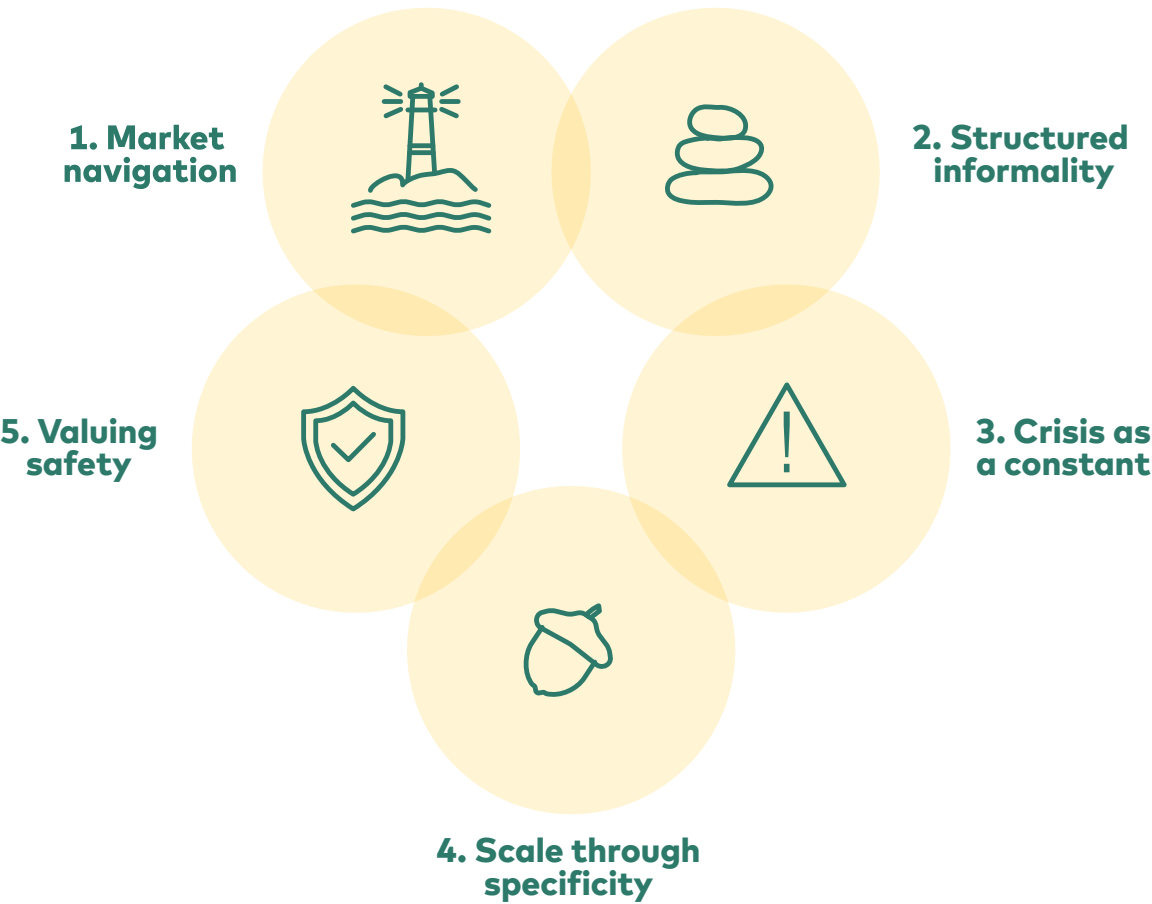
Who is incentivized to act, and how?

1. **Align services with the Fund's investment thesis:** Design services that reflect strategic priorities like market navigation, structured informality, resilience, scale through specificity, and safety for young women.
2. **Create feedback loops to refine service relevance:** Regularly gather input from companies and investment firms to ensure services remain aligned with their evolving needs and contexts.
3. **Invest in incentive structures that reward inclusive practices:** Support service providers and intermediaries who challenge market norms and promote equity, even when their work doesn't fit traditional models of success.

Many power dynamics can only be resolved through systems change, rather than through action in any one organization or program. As an ecosystem we need to work collectively to reimagine and invest in the service sector as a critical part of the economy. Collectively, we can shape a sector that not only supports businesses and investment firms but actively shifts power, challenges market norms, and builds inclusive, resilient systems that enable dignified work for young women.

This involves aligning services with the Fund's investment thesis, embedding gender and contextual expertise into service design, and creating infrastructure that supports sustainable, locally-grounded service delivery across the continent.

The Fund investment thesis offers pathways to collective action.



Market navigation

Build regional service platforms that provide standardized, context-aware support for legal, financial, and operational market entry, enabling young women and marginalized entrepreneurs to navigate complex systems. These platforms should be co-designed with local actors to ensure relevance and to influence how market infrastructure is shaped and accessed.

Structured informality

Develop and scale service models that formalize informal businesses through tailored shared services such as bookkeeping, HR, and compliance, without erasing the adaptive strengths of informal economies. This requires coordinated investment in service infrastructure that recognizes and elevates informal enterprises as legitimate economic actors.

Crisis as a constant

Establish a pan-African service consortium focused on resilience-building, offering advisory, coaching, and peer learning services that help businesses prepare for and adapt to ongoing economic and environmental shocks. Funders and intermediaries should shift incentives to prioritize services that support long-term stability and adaptive capacity over short-term growth.

Scale through specificity

Create a distributed network of service providers rooted in local contexts, supported by pooled funding and shared infrastructure, to deliver highly tailored services that enable businesses to scale in ways that reflect their unique market realities. This approach challenges centralized, standardized service delivery and fosters innovation through deep contextual engagement.

Valuing safety

Integrate safety and wellbeing into the core design of all business services, especially HR, governance, and operational advisory, by embedding gender-responsive practices and safeguarding protocols. This requires ecosystem-wide commitment to redefining service quality to include safety outcomes and to investing in providers with expertise in gender and trauma-informed approaches.



Join us.

Over the coming months we will publish two further learning books, on investment ecosystem influence and job creation.

And, as we continue learning about how to shift power in the African investment ecosystem, we invite you to join us. What are your experiences of designing service approaches on the continent? How have you managed to balance the power dynamics named above? Do you have any additional insights or reflections to support accelerated impact and execution?

We would love to hear from you.

Thank you for taking this learning journey with us.