mastercard foundation

Africa Growth Fund

Ecosystem engagement as investment practice

Book four: What the fund learned about shaping the enabling environment for investment vehicles and portfolio companies to thrive

In partnership with:

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Preface: A fund designed to create an enabling environment

The first three learning books document what the Fund did inside its portfolio: how capital moved to investment vehicles, how services strengthened enterprises, and how employment emerged through a chain of conditions rather than a single intervention. Each book ends similarly, naming constraints that sit outside the Fund's direct control but inside its responsibility to name.

This book begins there, within the ecosystem.

The Fund was designed with a theory that moving capital differently in Africa would both require and produce changes in the surrounding environment. Capital flowed to first-time women fund managers, with local domiciliation requirements, into job-intensive sectors, through instruments that could reach informal market segments. Enabling each of those component pieces to thrive required an intentional and carefully-targeted systems intervention.

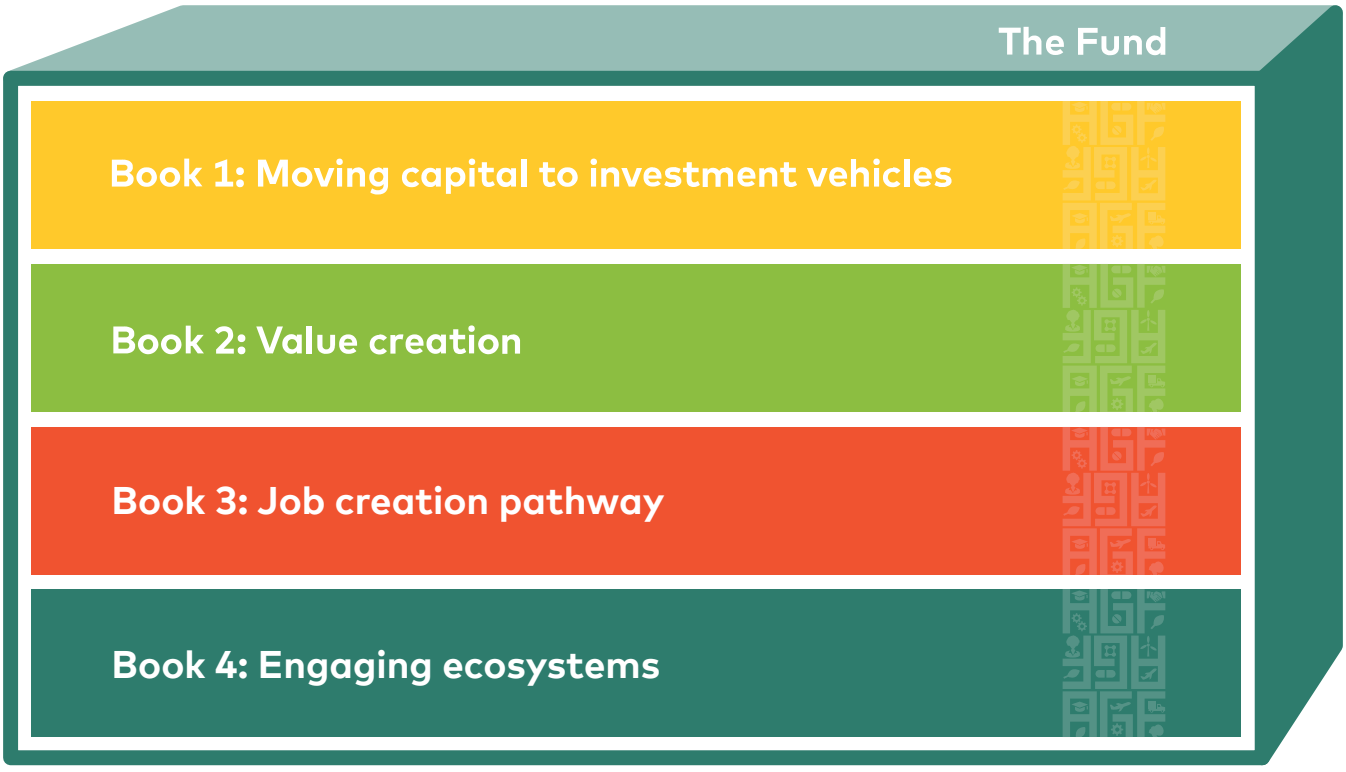
That is what the Fund's ecosystem strategy was built to address: the work that needed to happen outside immediate investments and business development services (BDS), in the broader environment that determines whether those investments can achieve their intended effect. This book documents how that strategy was developed, what the Fund learned by executing it across four distinct segments of the ecosystem, including what worked, what didn't, and where the work needed goes beyond what any single fund can achieve.

The learnings in this book are drawn from the Fund's own experience. They are presented as an honest account of what enabling environment work looks like in practice.,

How to read this book

This book is not meant to be read as a linear account of activities or a framework to replicate. It is a practice-based map of how an investment fund encountered, interpreted, and chose to engage the enabling environment as part of its mandate. Each chapter documents what the Fund tried with specific assets, in specific markets, over a constrained timeline, with a mandate that required holding learning and demonstration simultaneously.

The intention is that readers use these experiences as reference points within their own contexts. The value of the book lies not in adopting its solutions wholesale, but in using its questions, design choices, and trade-offs to sharpen judgment about when and how ecosystem engagement becomes an essential part of investment practice.



Introduction: The enabling environment as investment territory

The Fund's investments and business development services worked directly on firms and intermediaries. However, whether those interventions could achieve their intended effects depended on conditions in the surrounding environment that no portfolio decision alone could create or change. Addressing those conditions became an extension of the investment mandate.

Defining the enabling environment

For the Fund's investment vehicles, an enabling environment determined whether local domiciliation was structurally viable in each operating market; whether institutional investors had the frameworks and familiarity to engage with gender-smart African vehicles; whether co-investors were willing to follow where the Fund led; and whether the norms of the investment industry recognized first-time women managers as credible counterparts rather than risky bets.

For portfolio companies, the enabling environment looked slightly different. It determined whether value chain infrastructure was functional enough to support growth, local business development services markets were developed enough to provide sustained support; whether regulatory frameworks allowed enterprises to formalize without too much red tape. Perhaps most importantly, it meant whether the informal economic activity that portfolio companies generated was counted and valued rather than rendered invisible by payroll-based reporting systems.

These were active determinants of what was possible inside the portfolio. The Fund understood this from the beginning, which is why the ecosystem strategy was developed as a coherent, resourced part of the Fund's overall approach.

The four dimensions of an enabling environment

Through implementation, the Fund found itself working across four distinct dimensions of the enabling environment, each with its own actors, dynamics, and timelines for change:

- Investment capital: who has capital, where it flows, and what structures make it accessible to the investment vehicles and market segments the Fund was trying to reach.
- Enterprise and markets: the value chains, market systems, and operating conditions that determine whether portfolio companies can grow, sustain employment, and reach the communities the Fund was targeting.
- Knowledge and norms: the narratives, standards, and legitimacy frameworks that determine what is recognized as credible, investable, and worth supporting in the investment ecosystem.
- Policy and regulation: the rules, institutions, and processes that shape what is possible for funds, enterprises, and workers in each of the Fund's operating markets. The Fund didn't wade into policy change but could use its power to influence it.

Each chapter that follows maps to one of these, documenting the Fund's actions and learnings within it.

Assets the Fund could leverage

The Fund's enabling environment strategy was built around four categories of assets that gave it specific forms of leverage:

- Flexible, risk-tolerant capital: The Fund's investment policy allowed it to take risks that more constrained capital could not. This included backing first-time managers, piloting new instruments through the Fund's Incubation Initiative WEAVE Africa and investing in markets where infrastructure was still developing. This flexibility was itself an enabling environment asset that generated evidence and lit a path for follow-on capital.

- Full consortium expertise: The partnership of MEDA, ESP, Genesis, Criterion Institute, and Africa Communications Group combined market systems expertise, enterprise support capability, investment analysis, gender and power analysis, and communications strategy. This combination meant the Fund could engage multiple dimensions of the enabling environment simultaneously beyond capital flows, from norms to narratives.

- Local market experience: Operating across eight countries by March 2025 with locally-embedded partners gave the Fund access to ground-level knowledge about what barriers looked like in different contexts and which signals were landing with which audiences. It also surfaced local coordination efforts that could be amplified rather than unwittingly duplicated.

- Brand credibility: The Mastercard Foundation's stature as a disciplined, long-term institution functioned as a catalytic asset for the Fund. Its reputation opened doors to institutional investors, regulators, and peer organizations that typically remain inaccessible to most demonstration-stage vehicles. This credibility wasn't incidental; rather it was a form of institutional capital that needed to be deployed deliberately, with clear objectives and disciplined messaging. Its effect was to accelerate alignment, reduce perceived risk, and legitimize the Fund's ambitions in markets where trust is a prerequisite for engagement.

A note on demonstration, learning, and this book

This book is part of the Fund's most direct contribution to the knowledge and norms environment: an honest accounting of our experiences including what proved difficult and where the Fund's own theory was incomplete. It was designed as a deliberate part of the ecosystem strategy that required holding the demonstration and learning mandates simultaneously.

This book clearly identifies both what was achieved and what proved challenging. When the Fund needed to demonstrate what could be accomplished, it openly presents those successes; when it needed to recognize obstacles or shortcomings, it candidly addresses those as well.

The Fund's experience is that the field needs both, and that a vehicle which publishes only its successes contributes less to the enabling environment than one which documents its full experience honestly.

01

Dimension:
Investment capital

Engaging with questions of who has capital, where it flows, and which structures make it accessible.

The Fund treated barriers in capital flows as design challenges, investing in the infrastructure on which local investment vehicles could rest. Its most durable contribution was building the due-diligence evidence, structuring pathways, and institutional relationships the market needs to back gender-smart, Africa-embedded vehicles at scale.

The Fund's work in the investment capital environment was grounded in a specific conviction: that the vehicles best positioned to reach job-intensive, women-led, Africa-embedded enterprises are systematically excluded from conventional capital flows. This is because the infrastructure to evaluate, structure, and support them did not exist at scale. Its most durable contributions came from investing in the infrastructure that makes local investment structurally viable.

Domiciliation as a conviction, not a compliance requirement

From the beginning, the Fund required that all investment vehicles be locally domiciled in Africa, registering in the markets where they were investing rather than offshore financial centers such as Delaware or Luxembourg. This was a strategic conviction: that meaningful ecosystem change requires capital to be accountable to the markets it is meant to serve, and that local domiciliation is a prerequisite for that accountability.

This requirement would expose infrastructure gaps. In some markets, the legal services, fund administration expertise, and regulatory familiarity needed to domicile locally were thin or absent. Rather than relaxing the requirement to accommodate those gaps, the Fund invested in closing them. It commissioned Momentus Global, Samawati Capital Partners, and Stafford Law to research what domiciliation required in each of the Fund's operating markets, identifying the legal frameworks, the service providers, the regulatory processes, and the costs involved. This research became the foundation for supporting investment vehicles through domiciliation, and for making the case to service providers that building local domiciliation expertise was a viable practice area.

The signal this sent extended beyond the Fund's direct relationships. When the Fund published and shared the domiciliation research, when its investment vehicles successfully navigated local registration, and when those vehicles began to be referenced by other funds exploring local domiciliation, the Fund was contributing to a shift in what the market believed was possible. Local domiciliation moved from a risky experiment to a demonstrated pathway because the Fund mandated, facilitated, and systematically recorded the necessary processes, rather than simply advocating for its adoption.

The Fund investment vehicles (IVs): Domiciliation as of December 2025

IV name	Country of domiciliation
Aruwa Capital I	Mauritius
Inua Capital	Uganda
Aruwa Capital II	Mauritius
Vested World	Delaware, Mauritius
Chui Ventures	Delaware, Mauritius
Jango Capital	France, Mauritius
FrontEnd Ventures	Kenya
SEFAA	Luxembourg, Mauritius
HealthCap	Mauritius
Five35 Ventures	South Africa, Mauritius

For example, the Fund convened investor roundtables in South Africa, Nigeria, and Kenya to test what would make local capital participation feasible in practice. Bringing together domestic asset owners, investment vehicles, DFIs, and ecosystem partners, the roundtables focused on specific challenges including fund domiciliation pathways, blended finance structures, and the practical requirements for mobilizing local capital. These dialogues were problem-solving forums that surfaced concrete infrastructure and coordination gaps (e.g., missing governance templates, limited peer benchmarks, unclear regulatory processes) which stakeholders could then address.

What we learned

Requiring local domiciliation from the outset, identifying barriers to domiciliation, and investing in the infrastructure to make it viable produced a more durable effect on the enabling environment effect than advocacy alone would have. Each investment vehicle that successfully domiciled locally made the next one easier and made the broader market more confident that it was possible.

The practical implication for other investors is this: when investment standards exceed the capacity of the existing ecosystem, the real decision is whether to invest in building the missing infrastructure. The Fund's experience demonstrates that investing in that this investment yields superior long term outcomes both commercially and developmentally, compared to operating within the constraints of an underbuilt system.

Why domiciliation matters: Impact enabling

DOMICILIATION	UNLOCKS DOMESTIC + FOREIGN CAPITAL	MORE CAPITAL FOR IVs	ACCESS TO CAPITAL FOR MSME'S	MSME GROWTH	JOB CREATION + IMPACT
Establishing a legal home base for funds in African countries creates a stable and transparent environment for investment.	By creating a favorable investment climate, domiciliation attracts international investors and accelerates local capital mobilization	**Increasing domestic capital flows unlocks fit-for-purpose capital for local investment vehicles (IVs)**	Local IV's now have the funding to increase flexible capital deployment and business support to Micro, Small and Medium-sized Enterprises (MSMEs)	With increased investment and access to capital, MSMEs can scale their operations, improve productivity, and contribute more significantly to the economy	The growth of MSMEs leads to the creation of more dignified and fulfilling jobs for youth and women

What it takes to mobilize local institutional capital

The Fund actively engaged and continues to engage local pension funds, insurance companies, and institutional investors as part of its local capital mobilization strategy. These conversations revealed a more complex picture than simply building confidence in African investment. Governance requirements, currency considerations, fiduciary frameworks, and familiarity with the asset class all shaped whether institutional interest translated into capital commitment. Structural viability was the constraint in most of these conversations. Institutional investors who were genuinely interested in gender-smart African vehicles often had no internal process for evaluating them, no governance framework for approving the asset class, and no peer reference points. The Fund's engagement through roundtables with asset owners, sharing its research on domiciliation and market conditions, and facilitating introductions between institutional investors and investment vehicles and continues to test what would make local institutional participation more feasible in practice.

The Fund also worked with venture capital and private equity industry associations in its operating markets, supporting their efforts to build familiarity with gender-smart investment strategies and to create reference points that local institutional investors can use when evaluating new asset classes over time.

What we learned

Local capital mobilization is primarily a structural challenge. The infrastructure for local institutional investors to participate in the asset class needs to exist alongside the investment opportunities. This includes governance templates, track record databases, peer networks, and currency tools. Fund-level engagement can advocate for and help build that infrastructure, but it cannot replace it.

The most productive engagements with institutional investors emerged from focused lines of enquiry around specific structures. 'What would need to be true for this asset class to fit within your governance framework?' These conversations worked far better than presentations designed to build confidence.

Instrument design: A key lever for ecosystem change

The revolving facility deployed through fintech partners (Pezesha Africa and Trade Lenda) under the Fund's Incubation Initiative WEAVE Africa demonstrated that micro-entrepreneurs embedded in value chains could absorb capital efficiently as long as the instrument was designed to match their operating reality. The transaction economics ofstandard equity and debt structures, deployed through conventional fund relationships did not work. The cost of deploying and managing small investments approached the cost of much larger ones, pushing conventional capital toward established, more formal enterprises.

The WEAVE revolving facility pooled and deployed capital through a credit policy and fintech partners, reaching micro-entrepreneurs at earlier and more informal stages than the Fund's standard investment vehicles could. This was an expression of the Fund's investment thesis, which had always named structured informality as a central theme. WEAVE was the innovation that made that theme investable.

This demonstrated to other investors that this segment was reachable at scale and created a model that other capital providers could adapt and adopt. The segments that generate the most aggregate employment in African markets are often the ones excluded from conventional investment structures. Innovating new instruments to reach them is enabling environment work, not just portfolio diversification.

Total number of young women micro-entrepreneurs **2,414 - Nigeria**	Number of job new opportunities created **2,074 sustained jobs** **1,604 new jobs**	Number of young women entrepreneurs trained **656 YWMEs**
Capital disbursed to YWMEs - US$*** **$202,172.04** Yr 1 . Q 4	No. of YWMEs receiving repayable grant or loans **1269** Yr 1 . Q 4	No of entrepreneur clinics (eg business development) organised **11** Yr 1 . Q 4

What we learned

Instrument design is one of the most powerful and underused enabling environment levers available to investors. The question is not only what to invest in but what structure makes the investment viable for the segment you are trying to reach. For micro-enterprise and informal economy segments, this requires designing from the operating reality of the segment outward rather than starting with the standard fund structure.

02

Dimension:
Knowledge and norms

Questioning which narratives dominate, whose expertise is legitimized and what is seen as credible

Knowledge and norms shape what investors believe is possible and whose expertise is trusted. The Fund shifted this through consistent investment decisions and a deliberate communications strategy that, together, signaled what gender-smart, Africa-embedded investment looks like and how to talk about it honestly.

Knowledge and norms shape what investors believe is possible, what risk looks like, and whose expertise is trusted. It is the environment in which assumptions about African investment, about who counts as a credible fund manager, about which business models are investable, and about which employment outcomes are worth measuring are formed and reformed. The Fund engaged in norms change through: its investment decisions, applied consistently over time, and its communications strategy, developed from day one with a dedicated communications partner. Together, they produced a coherent and sustained signal about what gender-smart, Africa-embedded investment looks like and what it can achieve.

Communications strategy as ecosystem strategy from day one

The Fund brought in the Africa Communications Group as a full consortium partner from the beginning as a strategic partner in shaping how the Fund's work was understood and talked about in its target markets. This reflected a conviction that narrative shifts are part of investment strategy, not a communications add-on that follows investment decisions.

Choices about which language to use were deliberately intended to shape the enabling environment. Calling investment vehicle leaders 'investment leaders' rather than fund managers was an attempt to carve out a different role for them in the ecosystem. By describing its mandate as 'shifting power in capital allocation', not simply deploying capital, the Fund was signaling how it wanted to be understood: as an actor changing who decides, on what terms, and with what consequences. And by framing job outcomes in terms of contribution rather than attribution, the Fund was naming a standard for honest impact language that reflects how outcomes actually emerge and what the field should reasonably expect.

Over four years, the Fund observed an uptake in adoption of this language in its target markets. Investment vehicles teams began to describe themselves differently. Peer organizations adopted similar framing in their own publications. Conference panels convened by the Fund began to feature them as established rather than emerging perspectives. This is how norms shift: through the accumulation of consistent signals from credible actors, until a way of describing something moves from novel to normal.

The Fund also used targeted media engagement to reinforce its norms-change thesis: credibility shifts faster when evidence is carried through trusted financial channels. A feature collaboration with CNBC Africa highlighted the Fund's approach and elevated women-led investment vehicles and portfolio company trajectories in a mainstream business outlet. In enabling-environment terms, this was a legitimacy signal to other investors, advisors, and ecosystem actors about what "investable" can look like in practice.

What we learned

A communications partner is a strategic asset. The Fund's experience is that the language used to describe investment decisions can have as much of an impact on the enabling environment as the investment decisions themselves. How you talk about who you invest in, what you are trying to do, and what success looks like shapes what becomes available and legitimate in the broader conversation.

Norm change through language requires consistency and patience. The Fund's communications strategy worked because the language held across publications, conference presentations, investor reports, and partner communications for four years.

Investment decisions as norm signals

Every time the Fund selected a first-time female fund manager, it was telling the market: this is investable. When it required local domiciliation, it was asserting viability. Every time it documented value-chain employment alongside payroll employment, it was arguing: this work counts. These decisions helped shape the enabling environment because they were applied consistently.

The Fund's selection criteria were maintained across multiple investment cycles and became a market signal that other investors could read and respond to. Co-investment conversations opened with investors who had observed the Fund's portfolio and concluded that the risk profile of first-time women managers was different to what they had assumed. Local institutional investors who had watched the Fund's investment vehicles successfully domicile and operate began to engage more seriously with the asset class.

These signals rarely encouraged immediate flows of capital, however. In many cases, credibility shifted before commitments: regulators became more willing to engage, advisors began treating local structures as workable rather than exceptional, and co-investors moved from skepticism to curiosity. Capital followed later, if at all. This pattern reinforced that signaling works through perception and relationships as much as it does through transactions, and that ecosystem influence often starts with how actors reassess what is viable, rather than in how quickly money moves.

The Fund also used its profile at industry conferences to put these investment decisions in context. It explained the logic behind selection criteria, sharing what the portfolio was demonstrating, and facilitating conversations between investors who might not otherwise have engaged. The communication and the investment were inseparable: what the Fund said in these settings was credible because the portfolio backed it up, and the portfolio's enabling environment effect was amplified because the Fund communicated it clearly.

Example: Five35 press announcement

In Q4 2025, the Fund announced its anchor investment in Five35 Ventures, a pan-African, female-focused venture capital fund, positioning it to scale early-stage, tech-enabled ventures across fintech, agriculture, health, logistics, and climate innovation.

This announcement across 15 different African and impact investing platforms functioned as a norms signal in two ways: the investment itself demonstrated investability (with US$75 million in follow-on capital attracted) , and the public framing made that demonstration legible to the wider market.

Example: Shaping gender-lens investing narratives at 2X Global

The Fund also used global platforms to reinforce a specific point about norms: language in investment processes can unintentionally reproduce exclusion. At the 2X Global Summit, partners emphasized moving beyond surface-level gender inclusion toward analysis of gender value chains and power dynamics. They pointed to how common terms in investment workflows such as "investment readiness," "de-risking," or narrow definitions of "formal" employment can embed assumptions about who is credible and what counts as performance. This helped sharpen and validate the Fund's practice of treating communications as part of the enabling environment rather than simply a downstream dissemination activity.

Beyond regional engagement, the Fund also participated in several high-profile global platforms to amplify African investment perspectives and position gender-smart investing within mainstream financial conversations. These engagements helped elevate the visibility of African-led investment vehicles and portfolio companies while reinforcing the Fund's role as a credible voice in shaping global investment narratives.

What we learned

Selection discipline and communications discipline work in parallel. An investor that has consistent selection criteria but does not explain them is missing an opportunity to explicitly shift norms. Conversely, an investor that articulates clear criteria but does not practice them consistently signals that those criteria are negotiable. The contribution of investment decisions to the enabling environment is maximized when the decisions are consistent and the reasoning is communicated.

This learning book series as a norm-challenging act

The decision to publish four learning books was the Fund's own contribution to the knowledge and norms environment. The field has no shortage of success stories from demonstration funds. What it lacks is honest accounts of trial and error that practitioners can actually refer to when designing similar vehicles.

Being candid about challenges is a maverick act in an investment ecosystem where demonstration funds tend to focus on achievement. The Fund's decision came at a cost: the demonstration mandate created genuine pressure to emphasize what worked, whereas the learning mandate placed genuine value on documenting what did not. The Fund held both, with awareness of the trade-offs, because it believed the field needed what honest learning could provide more than another set of achievements.

Metric	LinkedIn	X (Twitter)	Facebook
Posts published	17	12	8
Impressions	47,077	427	216
Engagements	7,578	58	6
Reactions	634	3	1
Comments	38	5	0
Shares/Reposts	10	1	0
Post link clicks	6,896	1	0
Follower growth (net)	+591	-3	+3
Closing audience	19,588	1,049	261

What we learned

Publishing honest learning is a contribution to the enabling environment that compounds over time. The Fund's experience, documented specifically and credibly, becomes part of the evidence base that other investors, fund designers, and foundation partners can use to make decisions. When demonstration funds publish only wins, they generate confidence. When they publish wins and what they learned the hard way, they help the field get better.

03

Dimension: Enterprises and markets

Engaging value chains, market systems, the informal economy and operating conditions

Portfolio enterprises were embedded in market systems that determined what growth and employment were possible. The Fund engaged these systems by investing in improved value-chain conditions, recognizing the realities of informal markets, and treating local business development services as market infrastructure rather than just portfolio support.

The enterprises in the Fund's portfolio were embedded in market systems that determined what growth was possible. The Fund's investment thesis named the informal economy, value chain depth, and resilience to volatility as central to its understanding of African markets. Crucially these were not problems to overcome, but the reality within which investment needed to work. Engaging around enterprises and markets meant investing in the conditions that allowed businesses to operate, grow, and generate employment within those realities. It also meant recognizing, as documented in Learning Book 2 on value creation, that business development services are market infrastructure. Building this infrastructure locally is as important as deploying it in individual portfolio engagements.

Designing for structured informality

The Fund's investment thesis named structured informality as one of its five core themes. This was a deliberate statement that the informal economy is not a gap to be formalized, a risk to be managed, or a transitional stage on the way to a real economy. The majority of economic activity and employment in its operating markets, including the majority of the employment generated by portfolio companies through their value chains, takes place in informal or semi-formal settings.

"With over 80% of transactions happening informally in Nigeria's Fast-Moving Consumer Goods Sector, especially through women and youth, digital tools, microfinance, and tailored formalization models can unlock growth without excluding grassroots actors"

***Africa Growth Fund Value Chain Analysis - FMCG Sector (March2025)**

Example: Koolboks and the logic of structured informality

Koolboks illustrates what it looks like to design an enterprise model for structured informality rather than around it. The company's solar-powered refrigeration model is built for small retailers who operate in informal market settings where electricity is unreliable and working capital is thin. In enabling environment terms, the intervention is not only the product. It contributes to an enabling environment by improving operating conditions: greater predictability in inventory management, reduced spoilage risk, and more stable daily cash cycles. This matters because these are the conditions that allow informal economic activity to be both economically durable and more legible to formal capital and measurement systems. In other words, the business model makes informal retail more investable without requiring it to become formal first.

Embracing this meant designing investment approaches that worked with the logic of informal markets rather than against it. It meant recognizing that micro-entrepreneurs operating as agents, aggregators, transporters, and distributors in portfolio company value chains were economically significant actors, even when they did not appear on any payroll. It meant building verification and reporting systems that could make this activity visible, rather than defaulting to formal employment metrics that systematically undercounted it. And it meant developing WEAVE as an instrument specifically designed to reach this segment, deploying capital through fintech partners and community networks rather than through formal fund structures that could not reach it at the necessary scale.

The contribution of this approach was to demonstrate that informal economy segments are investable, and that appropriate instruments, partnerships, and measurement can make them as legible and accessible as more formal segments. This matters for the market because investors who have observed the Fund's experience with WEAVE now have a reference point for their own innovation.

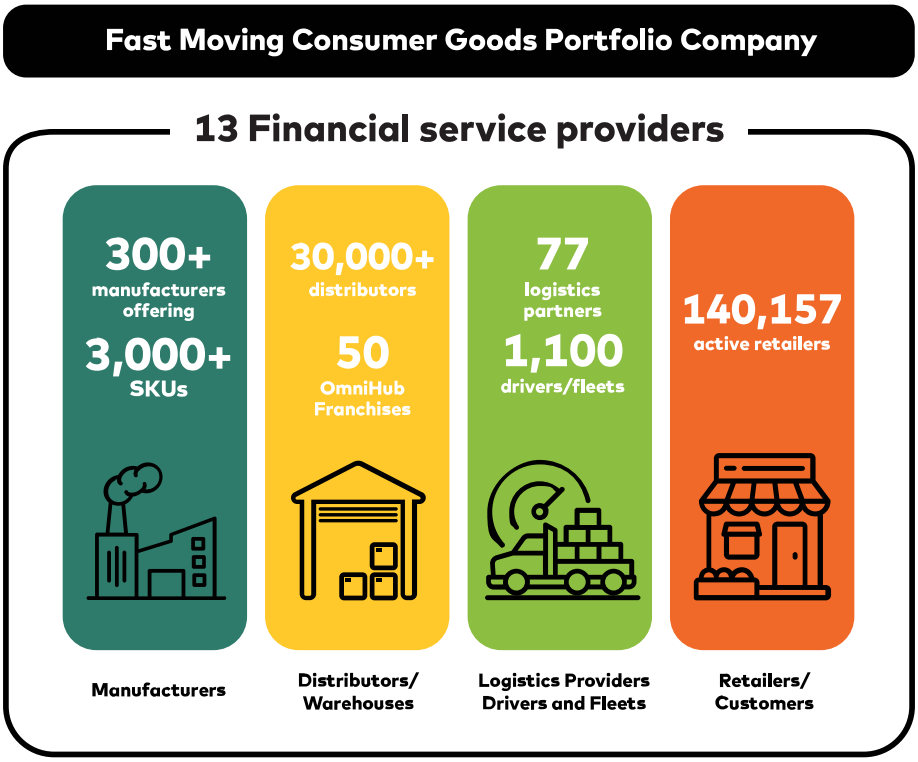
What we learned

Investment theses that treat the informal economy as a barrier to be overcome rather than a reality to be invested in will systematically miss the segments with the highest employment density that are most grounded in local market realities. The enabling environment work is to build instruments, partnerships, and measurement approaches that can work within informal market logic rather than waiting for those markets to formalize.

Working at the value-chain level to strengthen the enabling environment

The Fund's analysis of employment in portfolio companies consistently showed that their economic footprint extended far beyond direct employees. In many food-based companies, the supply chain extended to aggregators, transporters, logistics providers, and branded retail outlet managers. For retail companies, value flowed through a network of over 140,000 active retailers.

This had direct implications for enabling environment work. If employment outcomes depended on value chain health, then the infrastructure that connected portfolio companies to their value chains such as aggregation systems, logistics networks, payment rails, quality standards, and market access channels was as important as the portfolio companies themselves. Through its market intervention workstream, the Fund supported value chain analysis across FMCG and agricultural sectors and identified where coordination failures, infrastructure gaps, and power dynamics were constraining the employment potential within value chains.



An FMCG portfolio company's business model is structured around a seamless integration and interaction of stakeholders in the FMCG value chain. It leverages a tech-enabled ecosystem to drive efficiency and collaboration among existing ecosystem players including manufacturers, distributors, logistics providers and retailers.

The Fund also supported business development services providers who worked at the value chain level, helping enterprises map their value chain relationships, identify bottlenecks, and strengthen the connections that determined whether growth translated into broader employment.

What we learned

If SME growth is the goal, addressing the enabling environment for value chain participants is critical. An ecosystem strategy that focuses only on portfolio companies will miss the majority of the economic activity and employment generated by growing enterprises. Value chain mapping is an investment in the enabling environment investment, not just an analytical tool.

Business development services as market infrastructure

As documented in depth in Learning Book 2, the Fund's approach to business development services evolved from a model of delivering support to portfolio companies toward a theory of building the market infrastructure that allows support to be available, sustainable, and locally embedded. These are different because one approach meets a near-term need by drawing on existing provider capacity, while the other leaves behind lasting capacity the wider market can draw on after the engagement ends.

The Fund's investment in local business development service providers contributed to service markets that extended beyond individual engagements. This included building their capacity through Entrepreneurial Solutions Partners (ESP), creating reference relationships that allowed them to develop practice expertise, and connecting them to portfolio companies in ways that strengthened both sides. A local consultant who developed expertise in HR systems with one portfolio company became more capable of providing that service to the next enterprise in the same market. A regional organization whose governance capacity was strengthened through Fund relationships became a stronger actor for other investors working in the same geography.

Investment in business development services builds the market infrastructure that allows similar problems to be solved more efficiently, by more actors, in the future. The Fund's experience reinforced that business development services strategy is ecosystem strategy, and that the choice between building local capacity and importing expertise is about which enabling environment you are strengthening.

Case Study: 10th Annual African Women Innovation and Entrepreneurship Forum (AWIEF)

Insights from the Fund's engagement at the AWIEF Conference reinforced that business growth for women-led enterprises requires more than capital. Entrepreneurs highlighted the importance of technical assistance in areas such as governance systems, financial management, certification for export markets, and operational readiness for investment. Discussions also emphasized that entrepreneurs often struggle with relinquishing control to investors, while investors must learn to meet entrepreneurs where they are in their growth journey. This underscores the value of creating spaces for candid dialogue between capital providers and entrepreneurs, enabling a shared understanding of both the practical barriers and the support systems required for enterprise success.

What we learned

Business development services are market infrastructure, not a portfolio support function. Investors who treat them as a way to fix individual portfolio companies are missing the opportunity to build local service markets that outlast the fund and support the broader enterprise ecosystem. The choice to invest in local provider capacity is a longer and harder path than importing expertise. It is also the path that creates a lasting contribution for the wider field.

04

Dimension:
Policy and regulation

Engaging around rules, institutions, and the power dynamics that shape who they serve

Policy and regulation shape what is structurally possible for investment vehicles and portfolio companies. While the Fund was not positioned to drive policy reform directly, it used its convening power and brand credibility to connect stakeholders, address power asymmetries, and align advocacy, planting seeds that may mature beyond the Fund's timeline.

Policy and regulatory change is the enabling environment work that most directly shapes what is structurally possible for investment vehicles and portfolio companies. It is also the work that most clearly exceeds any single fund's capacity to drive alone. The Fund's approach was grounded in the conviction that its convening power and brand credibility were most valuable when used to bring together stakeholders who would not otherwise meet, dissolving the power asymmetries that keep institutional investors, grassroots organizations, fund managers, and policymakers in separate conversations. This work required patience, careful coordination, and a long-horizon mindset: the Fund could set direction and build momentum, even when results would come later.

Building bridges between diverse stakeholders

The Mastercard Foundation's brand credibility gave the Fund access to stakeholder groups that do not normally share a room: institutional investors and grassroots women's organizations; regulators and first-time fund managers; development finance institutions and micro-entrepreneurs. The power asymmetries that keep these groups in separate conversations are structural features of an investment ecosystem that reproduce the same patterns of capital flow.

The Fund deliberately used its convening power to dissolve these asymmetries in specific settings. These were structured bridge-building exercises designed to create connections that the market would not otherwise produce. The Fund coached participants in advance, focused discussion on a specific learning question, and followed up to support the relationships that emerged.

Example: Ecosystem conferences

At major industry conferences including AVCA and regional investment forums, the Fund facilitated sessions that brought investment vehicle leaders into conversation with institutional investors who had not previously engaged with the asset class. It hosted roundtables where asset owners including pension funds, insurance companies, and foundations could engage directly with the evidence on gender-smart African investment.

What we learned

Convening is most powerful when it is used to rebalance power asymmetries that the market would not address on its own. The Fund's brand and credibility were the entry point, but the enabling environment effect came from the quality of the bridge-building: the preparation, the facilitation, and the follow-through that built quality relationships that could lead to different decisions.

The Johannesburg, Lagos, and Nairobi roundtables reaffirmed that while Africa's markets differ in maturity, structure, and regulatory environments, the obstacles to inclusive, catalytic capital are deeply interconnected. These sessions generated momentum and strengthened the ecosystem's appetite for collaboration.

Communications and bridge-building work together

The Fund's communications and bridge-building work were complementary, not competing approaches. Publications, conference presentations, media engagement, and the learning book series put the Fund's experience and perspective into the knowledge and norms environment. It shaped what language was used, what evidence was cited, and what the investment community understood about gender-smart African investment.

Bridge-building through convening created relationships between specific actors in ways that communications alone could not. An asset owner who read the Fund's domiciliation research might find it interesting. An asset owner sitting across from an investment vehicle leader mentioned that research could have a different kind of engagement. The Fund's experience is that communications creates awareness and credibility and convening creates the specific human connections through which decisions are made.

Coordinated advocacy with partners

The Fund's most effective policy and regulatory engagement work came through coordinated advocacy with partners who had complementary assets and access. MEDA's relationships with agricultural trade networks and regulatory bodies, Criterion Institute's expertise on gender and capital systems, Genesis's analytical capacity within African investment markets, and Africa Media Group's connections to trade and mainstream media created a coalition that could engage the policy environment from multiple directions simultaneously.

This coordination was most successful on the domiciliation question, where the Fund's research through Momentus Global, combined with MEDA's regulatory relationships and the investment vehicles' own experience created a body of evidence that could support engagement with regulators considering reforms. No single partner in this coalition could have produced that evidence alone. The Fund also coordinated with peer organizations and industry associations including AVCA and regional impact investing networks on shared ecosystem priorities. They recognized that norm change at the industry level required consistent and repeated signals from multiple credible sources, not just from one fund.

The Fund's engagement with ecosystem partners also contributed to policy dialogue around women's economic participation. Conversations at AWIEF for example highlighted the importance of gender-responsive policies and regional frameworks such as the African Continental Free Trade Area (AfCFTA) in expanding market opportunities for women entrepreneurs. Participants emphasized that awareness of policy frameworks and the capacity to navigate them remain significant constraints for many entrepreneurs. These discussions reinforced the importance of coordinated advocacy between investors, development partners, and policymakers to ensure that policy reforms translate into real opportunities for women-led enterprises.

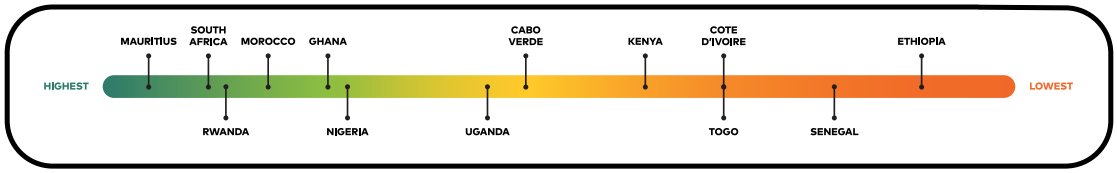
What we learned

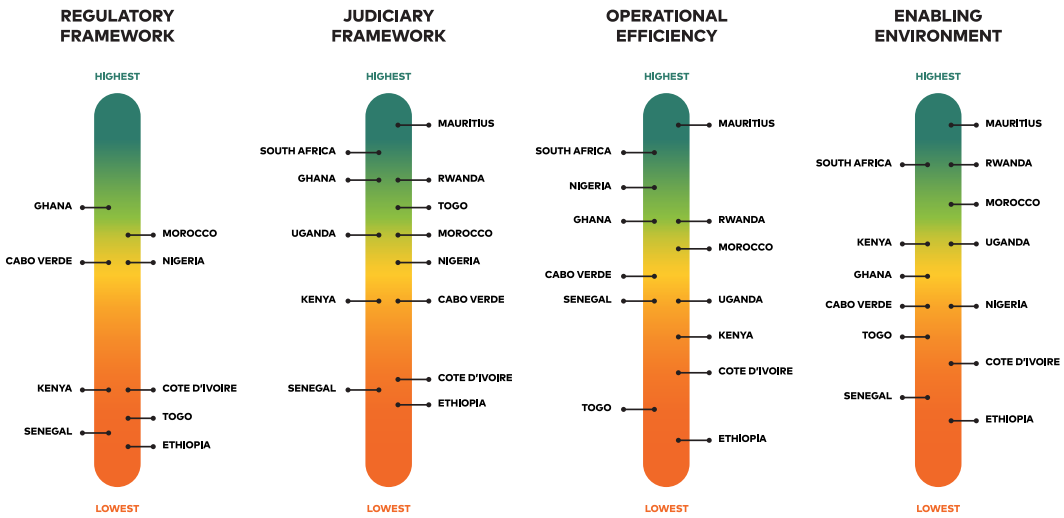
Coordinated advocacy is more effective than parallel advocacy. When multiple credible actors are making the same argument from different positions, the signal is harder to discount. The Fund's enabling environment contributions in the policy and regulatory space were strongest when they were explicitly coordinated with partners.

Planting seeds in a shifting landscape

Not all of the Fund's enabling environment investments in the policy and regulatory space produced visible results within its operational window. Capital-call rules remained a constraint. Formalization requirements continued to create friction for some portfolio companies. The regulatory reforms the Fund's evidence supported followed policy timelines that extended well beyond the Fund's five-year demonstration window.

Overall maturity scale for building a fund domiciliation ecosystem





This is the reality of systems change, which operates on longer timelines than fund cycles. The relationship between any specific ecosystem intervention and any specific observable outcome is rarely direct or immediate. The Fund's approach was to accept this reality rather than design around it and do the work anyway, knowing that the payoff might come after the Fund's operational period ended.

Ecosystems are not static. Policy priorities shift. Leadership of regulatory bodies changes. New evidence creates new openings. The seeds planted now, in the form of documented evidence, relationships, demonstrated models, and published learning, create opportunities for the future. Systems change work that waits for the right conditions before acting tends to find that the conditions have already changed.

What we learned

Systems change is a series of long-term bets, and not every bet pays off within a visible timeframe. The Fund's experience is that this is not a reason to avoid the work. It is a reason to do it early, document it clearly, and to design for careful handover so that the work continues. The enabling environment you need in year five is built by investments made in year one. The enabling environment others will need in year ten can be seeded by investments made today.

Conclusion: Implications and an invitation

The Fund's four years of ecosystem work across the dimensions of investment capital, enterprise and market, knowledge and norms, and policy and regulation produced a body of experience that is concrete enough to be useful for practitioners who are designing similar strategies. This conclusion draws out the key implications and then closes with a specific invitation: to the partners, investors, policymakers, and ecosystem builders who are already doing this work, and to those who are ready to step in.

Key implications for the field

Start with the challenges you're facing

The Fund's most effective contributions came from treating its own implementation obstacles as a map of where change was needed in the wider ecosystem. The domiciliation infrastructure gap was discovered by requiring domiciliation. The micro-enterprise instrument gap was discovered by trying to reach informal economy segments with conventional structures. The business development services market gap was discovered by trying to deliver support across the portfolio. Ecosystem strategy built from an investor's own experience is grounded in ways that strategy built from a general theory of ecosystem needs is not.

Name your assets and use them intentionally

Flexible capital, risk tolerance, consortium expertise, local market knowledge, and brand credibility are enabling environment assets, but only when leveraged intentionally. The Fund's experience is that broad ecosystem ambition, even with strong assets, produces limited results. The same assets, aimed at a specific ecosystem constraint, create contributions the field can build on. The question is not "What can we do for the ecosystem?" It is "What does this enabling environment gap require, and what do we specifically have to contribute to it?"

Investment decisions and communications strategy create powerful signals when used in parallel

How you invest sends continuous signals to the ecosystem about knowledge and norms. How you communicate about those decisions amplifies and interprets those signals. The Fund's experience is that consistent investment criteria held over time and communicated clearly through a strategic communications partner produces a more coherent and more durable ecosystem signal than either can produce separately.

Hold the demonstration and learning mandates together

There is a real tension between showing what is possible and documenting what is difficult for the benefit of the wider ecosystem. The Fund's experience is that holding both produces more value than collapsing into either.

Simply demonstrating success without reflecting on the challenges and lessons learned only creates unwarranted optimism. On the other hand, focusing solely on analysis and learning, without actually putting ideas into practice, leads to vague theories with little real-world impact. When both demonstration and learning are combined in an honest and balanced way, it gives the field practical insights that can drive real improvement.

Don't use shifting ecosystem conditions as an excuse for inaction

The ecosystem components you invest in today, whether infrastructure, evidence, relationships, learning, or aligned partners, create possibilities for the next generation of ecosystem actors. Policy environments will always shift, market actors will change, and crises will reshape what is possible. The Fund's five-year window was not the timeframe for the change it was contributing to, but the timeframe for the investments it could make in that change. Future actors will inherit an enabling environment shaped in part by what the Fund has built over these four years.

An invitation

This learning series has traced what one fund learned over four years of trying to create an enabling environment for investment vehicles and portfolio companies to thrive and, through them, for dignified employment to expand for young women across Africa.

We offer this as our part in an ongoing, collective effort that includes many contributors, each bringing their own strengths, resources, and perspectives at different points in time.

The enabling environment for investment in Africa is different than it was four years ago. There are now more locally-domiciled investment vehicles. More first-time managers have track records for institutional investors to evaluate. There is more evidence that gender-smart, Africa-embedded investment can produce credible returns. Finally, there is more honest documentation of what impact investing actually produces and under what conditions. These are shared results and the Fund contributed to them alongside many of the people reading.

To investors: ecosystem work is your territory. Where you hit obstacles in domiciliation, whether in instrument design or reaching informal markets, ask whether your assets allow you to invest in removing the barrier rather than navigating around it. The evidence you generate, the infrastructure you help build, and the pathways you create are enabling environment contributions as real as any portfolio return.

To foundations and asset owners: your flexibility is an asset. The risks you are willing to take, the instruments you are willing to pilot, the managers you are willing to back will enable more conservative capital to follow. Use that flexibility deliberately, document what it produces, and make that documentation available so that others follow suit.

To business development service providers and market systems actors: the investment ecosystem depends on the depth and quality of local service markets in ways that most investors have not yet fully reckoned with. The conversation with investors needs to be a strategy conversation about what infrastructure is being collectively built rather than a procurement conversation.

To policy and regulatory actors: the evidence that current frameworks create structural exclusion is accumulating. The actors who have generated that evidence are ready for substantive engagement. The Fund's research on domiciliation, its documentation of regulatory friction and its effects on capital deployment, and its record of what changed when structural barriers were addressed are available and open.

To investment leaders, portfolio companies, workers, and entrepreneurs: what you built, demonstrated, and made possible is the foundation for this series. The learning belongs to you as much as it belongs to the Fund. Use it to make the case to investors and within your own ecosystems about the kind of capital and investment practice your work deserves and that the environment needs to enable.

Building an investment ecosystem that serves young women, creates durable employment, and flows through locally-owned structures will take longer than any single fund's timeline. We are asking for a continuation of the work by existing partners and those who are ready to step in. The enabling environment we all need is built by the investments we make in it together, today.