
Case study: Outstanding Individual Achievement of the Year

This award is for an individual(s) who has made an outstanding contribution to the growth of impact investments on the continent.

Evelyne Diah

Founding date	March 2019
Geography	West Africa
Sector	Investment Management
SDGs	5 [gender equality], 8 [decent work and economic growth], 9 [industry, innovation and infrastructure], 10 [reduced inequality], 12 [responsible consumption and production], 13 [climate action] and 17 [partnership for the goals]
Web	https://wic-capital.net

Background

Evelyne Diah is the managing partner of WIC Capital, the first investment fund in West Africa that exclusively targets women-led small and growing businesses. The fund's mission is to unleash the full potential of women-led businesses in Africa through adapted funding, tailored technical assistance and business networks, while providing a platform for collaboration between local private and public sector actors to shape the gender-lens investing landscape in the region.

Evelyne is a recognised investment professional who joined WIC Capital from FONSI, Senegal's sovereign wealth fund, where she was responsible for managing €100m transactions in several sectors, including industry, energy and agriculture. She formerly worked at the General Inspection of the Société Générale Group.

Evelyne sits on several boards of local businesses and on the investment committee of two investment funds. She is also a board member of Epic Africa, an organisation that seeks to enhance philanthropic impact by filling critical data and capacity gaps in the philanthropic market infrastructure in Africa.

Evelyne's life mission is to contribute to the development of the African private sector by reinforcing and growing small businesses. To her, this is the best and most sustainable way to address the pressing issues faced by African society at large (poverty, food security, massive youth unemployment, climate change). She is also passionate about gender issues in modern African societies.

Evelyne's work and dedication have led her to receive several recognitions:

- Ranked in The Choiseul 100 Africa in 2021 and 2022 as one of the 200 young African leaders (aged 40 and below) who will play a major role in the continent's economic development in the near future
- Recognised on the 2022 Black Women in Asset Management under 40 list of women who are shaping the future of asset management
- Selected in the 2023 Private Equity International's Future 40 list, in the Dealmakers Category, highlighting private equity leaders who demonstrate innovation, drive and forward thinking

As a fund manager dedicated to closing the SME finance gap, she is giving back to her communities by intentionally investing in women-led small and growing businesses in francophone West Africa that are largely underserved by financial markets. These businesses, upon accessing adequate capital and technical assistance, create jobs and offer products and services that improve the lives of millions of people. This is what led Evelyne to join the Women's Investment Club (WIC) in 2017, and then to launch WIC Capital.

Evelyne's commitment to impact led her to quit a promising career in the private sector to work in impact investing. She left Société Générale in France to move back to Senegal to help launch the Sovereign Fund of Senegal (FONSIS), a first of its kind strategic fund with the mission to develop the local private sector. She then resigned from FONSIS to launch WIC Capital, the gender-oriented fund that would create value for women entrepreneurs and change the landscape of SME investing in West Africa.

In addition to running WIC Capital, Evelyne is a leading voice in the capital investment space on the African continent. As a complement to the private sector, civil society organisations provide key services for communities across Africa. Epic Africa's ultimate goal is to empower local community schemes to access funding and redirect grant funding and actions to the most pressing needs of the populations.

She regularly takes the stage to advocate for the development of local capital providers as a solution to the SME and gender funding gaps. She is a member of the steering committee of the Collaborative for Frontier Finance's Early-Stage Capital Providers' (ESCP) Network, a peer community of more than 66 fund managers investing in entrepreneurs in emerging markets. She is also a member of the inaugural cohort of emerging African fund managers supported by 2X Global and 2X GP Sprint.

Originality

WIC Capital is innovative in many ways:

- First of its kind in West Africa in terms of gender focus: WIC Capital is the first investment fund in West Africa that exclusively targets women-led small and growing businesses
- Investment thesis: to unleash the full potential of women-led businesses in Africa by acting simultaneously on three levers – provision of adequate capital, provision of tailored technical assistance, and business networks
- Financial instruments: development of self-liquidating instruments using a mix of equity and quasi-equity with revenue or cash flow sharing

Equity allows for recapitalisation and strengthening of these undercapitalised SMEs and enables exposure to the upside potential of the companies. Yet, to address a rarity of exits in the area, as well as the reluctance of female entrepreneurs to give out equity, WIC Capital provides equity and quasi-equity instruments structured in a way that allows liquidity. They use shareholder debt, ordinary and preferred shares that allow for cash flow sharing and redemption of equity after an average six-year holding period.

The use of the self-liquidating structures is new in francophone West Africa and present in East and Southern Africa (although not common). Evelyne developed the methodology based on learnings from funds in the region and by considering the various specificities of the OHADA region.

- They target women-led small and growing businesses that mostly operate at a very small scale and are largely underserved by financial markets. Therefore, they have developed an inhouse technical assistance programme that provides pre- and post-investment support
- They leverage networks and the community to unleash growth. Evelyne describes the WIC Network as “our secret sauce”. It features deep regional networks with mentorship by WIC members and institutionalisation of boards with seats for WIC members

Meeting unfilled needs

Evelyne and her team have set up WIC Capital and designed their investment strategy to meet two specific needs of female entrepreneurs: adequate capital to scale as well as technical assistance.

The use of self-liquidating structures that are aligned with the constraints of the market help meet the needs of their entrepreneurs.

WIC Capital has a value creation process that is tailored to meet targets:

- The management team is hands on. The investment team develops an action plan based on the findings of the due diligence, monitors its implementation, closely monitors the disbursement process and organises the provision of operational support (setup of the governance bodies, support to the entrepreneur, intervention of the WIC Académie experts)
- Shared services in accounting, legal and tax: the fund manager has selected a local accounting firm that provides accounting, tax and legal services to the portfolio. This ensures the reliability of the financial information and that investees are not incurring fiscal risks
- Governance: WIC members with extensive executive and board experience sit on the boards of portfolio companies and hold veto rights on major decisions such as new debt raising or divestment. WIC members have extensive business experience (25 years on average) in local and/or international environments and in different industries
- Mentorship from WIC members, who offer empathetic guidance and advice to less experienced entrepreneurs. They share their experiences as executives or entrepreneurs, as well as access to their networks, with investees
- Professional coaching is offered through the WIC Académie, with the goal to develop the leadership skills of entrepreneurs and help them navigate the transformation of their businesses post-investment
- Tailored technical support through the WIC Académie to portfolio companies to address the gaps identified pre- and post-investment
- Partners: the fund manager develops technical partnerships with government agencies, donors (GIZ, USAID) and technical assistance programmes
- Access to working capital and additional funding for portfolio companies. Ecobank has partnered with WIC to provide loans up to €1.5m to the funds' investees, and the Délégation à l'Entrepreneuriat Rapide du Sénégal (DER) set up a US\$1m credit facility that will be drawn directly by the fund manager

Theory of change

WIC Capital's goal is to unleash the potential of women-led small and growing businesses for increased inclusive development in Africa. Reinforcing and growing these businesses has the potential to be an effective and sustainable way to address the pressing issues faced by African societies. Evelyne aligns her efforts with WIC Capital's mission to contribute to the development of the African private sector, ultimately driving positive change and economic empowerment through the growth of these businesses.

Objectives		Accelerate women's inclusive economic emergence through support and investments in high-potential early-stage businesses with a gender focus		
Outcomes	Long term	Development of a pool of high-performing women-focused businesses	Increased participation of women to private sector growth	Syndicate and angel investing model becomes a common financing mechanism
	Short term	Increased financing to women-focused SMEs	Companies build skillset necessary to achieve significant sustainable growth	Syndicate fund model replicated across the region
Outputs		High-potential women-focused SMEs have access to necessary funds	Women focused SMEs receive technical assistance and support	Individual investors are trained on early-stage angel investment
Inputs		Investments in early-stage women-focused businesses	Personalised assistance and support to early-stage women-focused businesses	Structuring of investment fund based on angel investing model

Impact thesis

As an individual, Evelyne's life mission is to contribute to the development of the African private sector by reinforcing and growing small businesses on the continent. To Evelyne, this is the best and most sustainable way to address the pressing issues of poverty, food security, youth unemployment and climate change.

This drive for impact led Evelyne to join the Women's Investment Club in 2017 and then to launch WIC Capital.

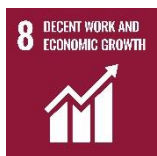
SDG linkages

WIC Capital contributes to the SDGs through its investments, including the following eight focus areas:



Gender equality and reduced inequalities

Women as economic actors are the focus of WIC Capital's investments. They are exclusively dedicated to women-owned or women-led MSMEs in Senegal and West Africa to fill the gender finance gap and to fight against gender inequalities. Through the WIC Académie, training and technical assistance are provided to build the capacity of women entrepreneurs.



Decent work and economic growth

Each investment of WIC Capital aims to contribute to the national economy through formalising investee businesses, entrepreneurship development, innovation, promotion of national resources, productivity improvement and job creation.

During its investment period, WIC Capital provides its entrepreneurs with the support and training necessary to develop their business. Furthermore, they are encouraged and supported to respect the national regulations regarding their employees (contracts, minimum wage, health and safety at work) which are a requirement of WIC Capital's ESG policy.



Industry, innovation and infrastructure

Within WIC Capital, small-scale industries are targeted and innovation is one of the investment criteria. The fund intends to invest in and support innovative and industrial companies to contribute to the growth of the economies of its countries of operation through the resilient and sustainable development of infrastructure and industrialisation.



Responsible consumption and production

WIC Capital aims not only to contribute to the economy through its investments, but also to minimise the negative impacts of production activities on people and the environment. WIC Capital supports its investees in the efficient management of their resources, waste management and research for more resilient production techniques.



Climate action

WIC Capital supports decarbonisation through its investment in climate resilient initiatives. It encourages investees to adopt more climate resilient processes and favours climate sensitive companies or companies that bring a solution to climate issues.



Partnerships for the goals

WIC Capital intends to develop and leverage its network of technical partners to better achieve the targeted SDGs and continuously improve.

Impact

Theme	Expected results	Indicators
Impact on investors	Business growth	<ul style="list-style-type: none"> • Sales growth rate • Growth rate of net income • Total asset growth rate • Additional financial partners and additional funds raised after WIC Capital's investment • Number of companies that have changed business category (from micro to small, from small to medium-sized enterprise) • Number of companies that became profitable during the year
	International development	Number of companies that have started to expand outside Senegal
Economic and social impact	Development of value chains	<ul style="list-style-type: none"> • Increase in the number of suppliers • Increase in the value of purchases/exchanges with other actors in the value chain
	Job creation	Number of jobs created (total, female employment, permanent employment (aged >35))
	Direct impact on the Senegalese economy	Value of taxes paid by invested entities
WIC Capital investments	Increased financing for women-led businesses	<ul style="list-style-type: none"> • Number of women-led businesses funded • Distribution of funds by type of instrument
	Increased technical assistance for women-led businesses	<ul style="list-style-type: none"> • Number of women-led businesses formalised • Number of women-led businesses in connection with coaches' advisors or mentors

Financial performance

To date WIC Capital has a portfolio of seven woman-led small and growing businesses that have raised €3m. These investments are structured with a target internal rate of return (IRR) of 30% and have shown an average 5x revenue growth in the 24 months following the investment. Furthermore, 60% of the portfolio has upgraded in terms of SME categorisation from very small business to small business, according to Senegal classification.

The following achievements demonstrate Evelyne's performance and the potential for WIC Capital to be scaled or replicated:

- Evelyne successfully launched a gender-focused fund from an angel network.

Under Evelyne's leadership, WIC Capital was set up in 2019 as a local permanent capital investment vehicle that went from an initial investment of €250,000 by WIC members to €5.8m in 2023.

The choice of this structure was meant to accommodate the investment of the +100 WIC members, but it rapidly proved to be a challenge to raise capital from institutional investors such as development finance institutions, foundations and funds of funds. Being a first time, female fund manager with a strong gender focus in her investment strategy also seemed to be an overwhelming obstacle to attracting capital.

Despite these challenges, Evelyne was able to raise €5.8m from local investors and international institutions, leveraging the potential of their target businesses to generate strong impact to access funding. She convinced institutions such as FMO, USAID and The Mastercard Foundation to fund WIC Capital and she says the fund has become the go-to partner for impact investors and female entrepreneurs in the region.

- Evelyne's support to portfolio companies is helping WIC Capital generate strong impact and growth.

To date, WIC Capital has almost fully deployed its first fund of €5.8m and has a portfolio of seven companies across consumer staples, discretionary and recycling sectors. The fund's investment has helped them multiply their revenue by five in the 24 months post-investment and will help create about 3,618 jobs by the time they exit.

To scale the impact, WIC Capital is raising a second, larger fund of €25m that will be structured as a limited partnership based in Mauritius that invests in Senegal and Côte d'Ivoire.

- Using her voice to advocate for SME investing to foster the development of local capital providers in Africa, Evelyne has helped the Collaborative for Frontier Finance attract more funding to provide technical assistance for emerging fund managers in frontier markets.

In addition to running WIC Capital, Evelyne is a leading voice in the capital investment space on the African continent. Evelyne regularly takes the stage to advocate for the development of local capital providers, as a solution to the SME and gender funding gaps. She is a member of the steering committee of the Collaborative for Frontier Finance's Early-Stage Capital Providers' (ESCP) Network, a peer community of +70 fund managers investing in entrepreneurs in emerging markets. The Collaborative for Frontier Finance was able to raise significant funding from FMO to develop an acceleration programme for local capital providers, to accelerate their fundraising efforts.

Potential for replicability

Evelyne believes in the importance of replicability to scale WIC Capital's initiative and impact throughout the continent.

Today, WIC Capital already faces strong demand from women in other African countries and WIC Senegal assists them in creating local women's investment clubs. WIC Côte d'Ivoire was launched in 2018 and several West and Central African countries, including Benin, Mali, Guinea and the Democratic Republic of Congo, have also started the process. Once a women investment club is set up in a country, then WIC

Capital can invest in that country, leveraging the networks and expertise of the club or, in some cases, support the setup of a local investment vehicle.

In 2023 WIC Capital received funding from Open Society Foundations to formalise its replication toolkit.

Risks

Investment risk. As Evelyne embarks on the journey to scale WIC Capital's impact through the setup of a second, larger fund (€25m to be closed in 2024), the fund's investments will be subject to the risk of loss of capital. There can be no assurance that the fund's strategy will be successful or that investments will increase in value. **Mitigants.** The fund manager's team has a demonstrable track record in successfully investing in SMEs across West Africa, with average revenue growth of 4.9x within 24 months of the investment. WIC Capital provides equity and quasi-equity instruments structured in a way that enables liquidity.

Risks of investing in small companies. Investing in companies at an early stage of their development is much riskier than investing in large, established companies. Among other things, such companies may not be able to successfully develop and bring products and services to market, may have problems with respect to their right to use, and ownership of, intellectual property, may have difficulty attracting sufficiently skilled management teams, may have difficulty finding vendors and establishing sales channels, and may be unable to compete in the marketplace with companies that have substantially greater resources and capital available to them. **Mitigants.** Beyond providing capital, WIC Capital has a strong value creation process adapted to the category of businesses it finances.

Due diligence risk. Investigating and valuing a potential portfolio company is often difficult, with no assurance of uncovering all relevant facts, and the fund risks overpaying for an investment. **Mitigants.** The fund follows a rigorous investment process, undertaking a comprehensive preliminary analysis and due diligence process that identifies and mitigates as many risks as possible. During this due diligence phase the manager leverages the expertise present within the Women's Investment Club and can use external expertise. Furthermore, the fund needs to obtain two approvals from its investment committee, which is composed of WIC members. The risk of overpaying is also mitigated through use of the self-liquidating structures.

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