



## PARTNERING TO ACCELERATE ENTREPRENEURSHIP

### INVESTISSEURS & PARTENAIRES (I&P): EXPANDING IMPACT INVESTING IN WEST AFRICA



Photo Credit: I&P




USAID	PARTNER*	TIMEFRAME	TOTAL LEVERAGE EXPECTED	GEOGRAPHY
\$1.2 M	\$5.5 M	4 Years (2016-2020)	\$6.2 M	West Africa

Entrepreneurs play a critical role in driving economic growth, creating jobs, and innovating to improve people’s lives through market-based solutions. Through the **Partnering to Accelerate Entrepreneurship (PACE) initiative**, USAID catalyzes market-based private sector investment into early-stage enterprises by identifying and testing innovative models or approaches that help entrepreneurs bridge the pioneer gap and scale.

### THE CHALLENGE

While economic growth has been increasing in the Sahel region of West Africa, unemployment remains high. Small and growing businesses (SGBs) are among the fastest growing businesses in developing countries, accounting for 40 to 50 percent of new job creation. SGBs have the potential to create quality formal sector jobs with higher wages and economic security.

However, as in many other emerging markets, SGBs often face barriers to accessing the financing needed to grow. To address this challenge, USAID is partnering with [Investisseurs & Partenaires \(I&P\)](#), a Paris-based impact investment group with offices in six countries in Africa.



**OUR PARTNERS**

*Investisseurs & Partenaires*

*Teranga Capital*

*Sinergi Niger*

*Sinergi Burkina*

### THE PARTNERSHIP

Through the PACE initiative, the USAID--I&P partnership is supporting three new locally managed and funded West African investment funds over a four-year period. The investment funds will initially provide small interest-free and collateral-free loans to high-potential SGBs to test or refine their services or products; offer pre-investment services such as financial recordkeeping and business plan support to entrepreneurs ready for future investment; and integrate successful SGBs into a community of entrepreneurs to facilitate further [learning and connections](#).

The three local funds—Teranga Capital (Senegal), Sinergi Niger (Niger) and Sinergi Burkina (Burkina Faso)—have insight into the local context and are better positioned to address investment challenges than their international counterparts. The on-the-ground fund managers have a nuanced understanding of the regional entrepreneurial ecosystem, and their hands-on approach can deploy local capital efficiently. By leveraging local capital and talent, these early-stage investors are poised to accelerate and finance SGBs in a sustainable way.

## EMERGING RESULTS

Launched in October 2016, the partnership anticipates accelerating growth for 52 SGBs through seed funding, coaching, and networking, thus unlocking \$5.6 million in investments in West Africa by the end of 2020. As of September 2019, the partnership had disbursed \$520,673 of seed funding to 21 SGBs in Niger, Burkina Faso, and Senegal, of which 65 percent of the supported entrepreneurs are women. Fifteen of the 21 SGBs had started repaying their loans, while five SGBs received follow-on financing.

Mama Sarl, a mineral water and juice business in Burkina Faso, is one of the I&P-supported SGBs that is delivering impressive results. With a \$46,000 loan from Sinergi Burkina, the company expanded marketing efforts for its juice pouches and launched an already-tested and successful packaging approach called Mama Cup. Based on the success of this marketing phase and subsequent loan repayments, SINERGI Burkina will consider continuing to support the company's development through an equity investment of around \$300,000.

The partners anticipate that the I&P model, which allows the funds to increase their investment pace by building a mature pipeline of investment-ready SGBs, will prove sustainable and replicable. By demonstrating that early-stage SGB investment can be profitable in West Africa, this partnership aims to attract additional investors for the industry to scale.



## FOR MORE INFORMATION

To learn more about the PACE Initiative, visit [usaid.gov/pace](https://www.usaid.gov/pace) or contact: [pace@usaid.gov](mailto:pace@usaid.gov)

## About the United States Agency for International Development

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