Second Chance Success
Blended Finance Approaches to Women’s Economic Empowerment

What is Second Chance Success?
When women are economically empowered, they re-invest in their families and communities, producing a multiplier effect that spurs economic growth and contributes to global peace and stability. Yet, lack of access to finance is one of the major barriers facing women entrepreneurs around the world.

While the women’s access-to-finance gap is well documented, little research exists examining viable approaches that improve access to capital for women entrepreneurs. Without proven approaches, investment funds are unwilling to apply a gender lens to their investments, thereby perpetuating this gap. The Second Chance Success project seeks to identify and test strategies that remove barriers to women entrepreneurs’ access to capital. By sharing the results, best practices and lessons learned from the Second Chance Success pilot, the project can make a critical contribution to the gender lens investing field by demonstrating both the business case for and the efficacy of approaches to finance women entrepreneurs. This, in turn, can build the confidence of investors. Ultimately, greater investor confidence will lead to increased capital flows to women-owned businesses and investment vehicles that employ a gender lens.

How it Works
Women entrepreneurs in Kenya and Rwanda who were unsuccessful in receiving financing on their first application with an East African investment fund will receive gender-smart training. After building their confidence and capacity through training and technical assistance, women entrepreneurs will re-apply to the ‘second chance’ window, which will be financed through a combination of project and private investment funds. MEDA will compare the success rates for these “second chance” clients against business who were successful with their first application. At the same time, we will work directly with the investment fund to understand how systematic bias and discrimination might be working against building and financing successful women-owned businesses.
Women entrepreneurs able to grow their businesses.

Inputs
- Partner with Investment Fund
- Raise capital
- Identify excluded women entrepreneurs
- Design and deliver targeted TA and support to women entrepreneurs, then invest
- Give feedback to Fund managers
- Capture and disseminate evidence for replication

Outputs
- Models that identify and address barriers hindering women entrepreneurs from accessing capital
- Catalyse commercial investment to be directed to women entrepreneurs
- Disseminate findings to industry stakeholders spurring uptake and greater resources for women-led small and growing businesses (WSGB)

Outcomes
- Investors experience greater confidence in women as investees
- Industry builds greater understanding of conditions leading to success for women entrepreneurs

Research Questions
- How might supply side factors such as unconscious bias, lack of understanding of women's differentiating financing needs, or a lack of focus on outreach to WSGBs, be hindering investment Funds' ability to support WSGBs and encourage them to apply for financing?
- How might demand-side factors such as low confidence, distrust of investors and low financial literacy, among others, be preventing WSGBs from applying for financing?
- How does TA and support to WSGBs improve their chances for financing from any source?
- What are some of the best strategies to create a conducive environment for GLI?

Our Partners
MEDA is partnering with BPI East Africa, Volta Capital and Criterion Institute. Together, we'll address challenges to accessing capital for East African women-owned businesses using research, technical assistance (TA), and investment. The research will generate an understanding of objective and subjective barriers facing women-owned SMEs, and help tailor TA to meet needs at different stages in the application for financial capital. SMEs originally declined financing by BPI may then qualify for a “second chance” at funding.

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