



**Women Entrepreneurs Finance Initiative (We-Fi)**

**TEMPLATE & GUIDANCE NOTE**

**THEMATIC FUNDING REQUEST**

**ON A PROPOSED FINANCING**

**IN THE AMOUNT OF {USD}**

**TO THE**

{NAME OF IMPLEMENTING PARTNER}

FOR

{PROGRAM/PROJECT NAME}

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# I. EXECUTIVE SUMMARY:

Please provide a one-page summary of the proposal, including key information such as:

* Program/project objectives
* Country/regional context
* Relevance to We-Fi thematic focus area
* Key components/activities to be financed
* Beneficiaries and expected results
* We-Fi Funds requested & Leverage
* Other key information

# II. WE-FI THEMATIC REQUEST – DATA SHEET

See attachment 1 for definitions and a guidance note for this template

**BASIC INFORMATION**

|  |  |
| --- | --- |
| Program/Project Name: |  |
| IP Name |  |
| Thematic Focus Area (s)[[1]](#footnote-2) |  |
| # of WSMEs benefiting from the program |  |
| Regions |  |
| Countries (% IDA[[2]](#footnote-3); % FCS[[3]](#footnote-4)) |  |
| Private Sector, Public Sector or Both |  |
| Implementation Start Date |  |
| Implementation End Date |  |
| IP Focal Point Contact | *(name, email and phone)* |
| Key Staff Contacts | *(e.g., Project Lead, M&E Officer, Comms Officer)* |

**WE-FI FUNDING REQUEST**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **USD** | **Year 1** | **Year 2** | **Year 3** | **Total** | **% IDA** *Estimate* | **% FCS**  *Estimate* |
| Total requested from We-Fi |  |  |  |  |  |  |
| (by country, if applicable) |  |  |  |  |  |  |

**TOTAL PROGRAM COST & LEVERAGE**[[4]](#footnote-5):

|  |  |  |
| --- | --- | --- |
| **Sources of Financing** | **Amount** *(do not round)* | |
| We-Fi financing requested (A) |  | |
| IP Contribution [1] (B) |  | |
| [Public-sector contributions [2] (C)](file:///C:/Users/wb82666/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7S3FZWQ1/Mobilization%20Table%20and%20Budget%20-templates.xlsx#RANGE!B12) |  | |
| Private sector financing directly mobilized [3] (D) |  | |
| [Additional funds mobilized [*specify*] (E)](file:///C:/Users/wb82666/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7S3FZWQ1/Mobilization%20Table%20and%20Budget%20-templates.xlsx#RANGE!B12) |  | |
| Total Non-We-Fi Mobilized Funds (F)= (B+C+D+E) |  | |
| Total Activity Size (G)= (F+A) |  | |
| Of which % IDA and % FCS (IDA+FCS / G) |  |  |
| Leverage (F/A) |  | |

[PROGRAM/PROJECT NAME]

WE-FI FUNDING PROPOSAL

*(not to exceed 25 pages total)*

# III. PROGRAM/PROJECT DESCRIPTION

(max. eight pages)

1. **Program/Project Objectives**: Describe the rational for the program/project within the context of the specific theme, the challenges it is addressing, its overall goals and development objectives. This should set out the business case for the program/project, what it will do, and how it will achieve impact**.**
2. **Country/Regional/Global Context (max. 1-2 paragraphs):**   Outline the local, country, regional, and/or global context in which the program or project will operate, including general economic, cultural and social barriers women face. If possible, provide information on target areas and regions that would be covered by the program/project within each country, including where countries are IDA (including IDA Blend) or in fragile/conflict situations.
3. **Thematic Context (max. 1-2 paragraphs):**  Provide a brief overview of the thematic context for the project at both the global and local level. Provide brief information on the specific constraints to women’s entrepreneurship that the proposed program/project seeks to address. Highlight any innovations currently underway to address those challenges and others working on this topic. For proposals which are not one of the specified prioritized theme, instead include general contextual information.
4. **Program Description**
5. **Key Components:** Describe the main components and subcomponents of the proposed program/project. Specify activities under each component and subcomponent and explain the sequence and timeline of activities. Describe how the components build on already existing activities and include information on pipelines and partners where applicable. Describe how the project aligns public and private sector activities to meet the goals of the proposed program/project (whether or not they are all funded by We-Fi). For each component, mention the We-Fi contribution and amount of contribution from others (i.e., leverage), as well ask key results expected. Any research projects should also be described.
6. **Strategic Partnerships:**  Partnerships are critical to the success of We-Fi.  Strategic partnerships are those which demonstrate potential to be transformational or scale impact, contribute a material level of We-Fi resources across the strategic partners, and are formed (or near formation). Describe how the proposed program will work with specific strategic partners toward the thematic objectives, and their potential for transformational impact and scale. Strategic partnerships for this thematic call should focus on global and regional private sector entities and non-profits engaged in strengthening the ecosystem relevant to the thematic area. However, other partners may also be relevant and/or strategic, including UN agencies, international financial institutions (IFI), donors, bilateral agencies, civil society organizations, business groups, etc.
7. **Results Based Mechanisms (RBMs):** Describe any RBMs to be used in both advisory and financing activities and their role in ensuring We-Fi funds deliver maximum development impact, including through:
   1. **Improving outcomes and impact:** using results-based mechanism to incentivize improved project outcomes.
   2. **Catalyzing innovation:** using results-based mechanisms to galvanize innovative solutions and supporting their implementation.
   3. **Surfacing new partners:** using results-based mechanisms to surface new partners and crowding-in new actors.

Where possible, draw from the menu of RBMs (see Attachment 3), or clearly describe an alternative mechanism. Describe also how the Blended Finance Principles[[5]](#footnote-6) will be applied to any investment activities utilizing We-Fi funds, to ensure efficient and non-distortionary use of subsidy.

1. **Program/Project Beneficiaries:**  Describe the target final beneficiaries. Confirm the definition of women-owned/led SMEs (see Definitions & Guidance), and any exceptions that will be required to that definition. Describe their socio-economic status and discuss the context in which they are operating, for example how social norms and the country’s legal framework affect women entrepreneurs’ performance). Discuss how target beneficiaries have been or will be consulted in the program/project design and its implementation.  Describe any intermediary beneficiaries. Discuss intended sustainable business impact and behavior change of financial institutions in serving women entrepreneurs.
2. **Rationale for Use of We-Fi Financing:** Describe how this program/project is innovative, how We-Fi funding provides additionality, and how it builds on lessons learned from best practices for starting and growing women-owned/led SMEs.

# IV. IMPLEMENTATION ARRANGEMENTS

(max. five pages)

1. **Institutional and Implementation Arrangements**:  For each component and subcomponent of the program/project, describe how they will be undertaken and by whom. Include information on which key stakeholders, including governments and private sector institutions, were consulted and have confirmed their participation in the program/project.  Include the criteria used for selecting executing entities.
2. **Role and Track Record of the IP and Other Partners**: Describe the role and track record of the IP in this area. Explain learning objectives for the IP. Explain further partner roles that are not described already in the Strategic Partners section, including (1) the sector/theme partner(s) represents, (2) IP’s previous working relationship with the partner(s), (3) the role of the partner(s) in designing the program/project, and (4) the partners’ role in the delivery of your program/project.
3. **Theory of Change and Results Chain**: Demonstrate how the program/project will contribute to We-Fi objectives and how these activities will lead to anticipated sustainable development impact at both firm and market levels. Illustrate the sequence of change showing how supporting women-owned/led SMEs will lead to the expected results, drawing on or elaborating on the We-Fi Theory of Change.
4. **Monitoring and Evaluation Plan and Timeline**:  IPs will be expected to report annually on program/project implementation and results. Be as specific as possible regarding what data will be collected (i.e., SMEs by sector, urban/rural, etc.) and the time period over which data will be collected during and after implementation. Describe the proposed mechanisms and procedures for monitoring the program/project to ensure that activities (1) occur as planned, (2) remain directed towards stated objectives, and (3) reach and increase the number and/or growth of women-owned/led SMEs.  Preference will be given to proposals that collect and share data and have a concrete plan for rigorous impact evaluation. Proposals should include not only quantitative but qualitative methods to capture the changes in women’s lives as a result of the We-Fi financed program/project. Use the table below to reflect your timeline.

|  |  |
| --- | --- |
| **Milestones** | **Expected Dates** |
| Start of implementation |  |
| Mid-term review |  |
| Program/project closing |  |
| End/completion evaluation |  |

# V. KEY RISKS IDENTIFIED AND MITIGATION MEASURES

(max. four pages)

The Implementing Partner is responsible for ensuring that activities in this proposal are executed in accordance with the IP’s policies and procedures.

1. **Risks Identified:** Describe and assess risks to achieving the overall program/project development objective(s) and associated activities. A template has been provided in Annex 3 as a framework to consider these risks.

1. **Proposed Action Plan:** Reflecting your fiduciary and safeguards policies, provide a plan to manage these risks. Describe the mitigation measures and program risk management mechanisms that will be employed.

# IV. RESULTS FRAMEWORK

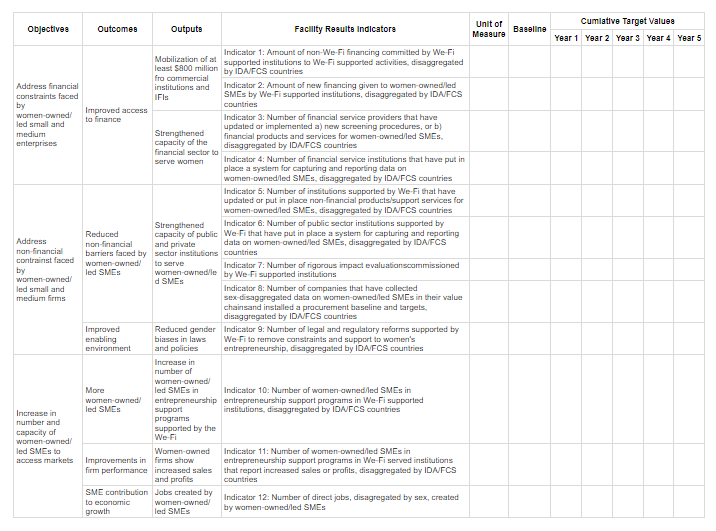
(max. two pages)

All applicants should use the results framework templates set forth below. For every proposal, the applicant should include the following:

1. Top-Line Results Expected
2. Custom Indicators: List separately any custom indicators where standard We-Fi Results indicators will not suffice (preference is for standard indicators wherever possible)
3. Description or definitions that require explanation or where there is significant uncertainty
4. If you are submitting a multi-country proposal or regional proposal, provide data disaggregated by country or region for each relevant indicator.
5. Annex 1: We-Fi Results Indicators table: Include all core indicators of the We-Fi Results Framework that apply to the program/project. Applicants should use as many of the indicators set forth in the results framework as possible but must use at least six of these We-Fi core indicators.  As noted in the template, indicate unit of measure, i.e. percentage, number of people, etc., baseline value and annual targets thereafter cumulatively. If you are using a custom indicator, indicate under which We-Fi objective, outcome and output it would fall.

# IV. ANNEX:

*The following annexes should be completed and submitted as part of the proposal.*



Annex 1: Results Framework

## Annex 2:  Cost and Financing Plan

(max. two pages)

Include a detailed budget with budget notes, and the total amount of IP management fees. Where possible, the budget should be linked to individual activities and expected results. Provide specific budget information for each country or region included in the proposal.  An indicative fee cap of 7% of the We-Fi project or program/project grant amount (i.e. the amount of funding provided from the We-Fi) for IPs will support the cost of preparing project proposals and supervising projects.

|  |  |
| --- | --- |
| **Cost and Financing Table** | |
| **Budget Categories** | **Amount** (do not round) |
|  |
| **Investment Activities** | **0** |
| Component 1 (e.g. activity, country etc.) |  |
| Component 2 |  |
| Component 3 |  |
| **Advisory/Technical Assistance Activities**  *directly to WSMEs or intermediaries* | **0** |
| Component 1 (e.g. activity, country etc.) |  |
| Component 2 |  |
| Component 3 |  |
| **Support activities, industry building, research** |  |
| **Administrative Fee** |  |
| **Total** | **0** |
|  |  |  |  |

## Annex 3: We-Fi Program/Project Risk

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risk Description** | **Rating** | | | **Assessment** | **Response Measures** |
|  | **Probability** | **Impact** | **Overall** |  |  |
| **Program/Project Design and Implementation Arrangements** | | | | | | |
| Related to the design and implementation of Programs/Projects financed by We-Fi, for example: • Is program/project design informed by lessons of previous programs/projects in this sector/country? • Is the choice of the executing agency appropriate? Does the design of the project take into account the risks of the operating context and propose appropriate mitigation measures?  • Will the program/project require major procurement not common for this sector/country (countries)? Will the program/project require transfer of funds between multiple government levels? • The risk that the program/project is supply rather than demand driven. Has the program/project been discussed with potential counterparts?  • The risk that program/project outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get what they need, when and how they need it. |  |  |  |  |  |
| **Political, Social and Governance Risks** | | | | | | |
| Includes risks relating to the political and social environment where the program/project(s) will be implemented. This may include political developments that could impact the project including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the project or operational engagement. |  |  |  |  |  |
| **Fiduciary Risks** | | | | | | |
| The risk that project/program funds will not be used to achieve value for money with integrity in delivering project’s intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or program participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the project will achieve intended results. |  |  |  |  |  |
| **Environment and Social Safeguards/Standards** | | | | | | |
| Risk that the IPs’ safeguards/standards are not properly applied in project design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment.  The assessment should take into account whether the program/project and its executing agencies have the mechanisms and capacity in place for considering and addressing program/project impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing project-based grievance reporting and redress mechanisms; promoting non-discrimination toward project-affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs. |  |  |  |  |  |
| **Other Risks** | | | | | | |
| Please identify any other risks associated with your program/project. |  |  |  |  |  |

# ATTACHMENTS

### ATTACHMENT 1: Definitions and Guidance

***For reference only***

**BASIC INFORMATION**

* **Thematic Focus:** Indicate which Theme(s) this proposal covers, and if more than 1 theme is covered, then please distinguish clearly between countries and budgets covered. *(refer to Attachment 4 for an overview of the prioritized themes in this round of funding). Proposals for activities outside of the prioritized themes continue to be eligible for funding and can apply using this funding application window. Accordingly, for those proposals which are not on one of the prioritized themes, please indicate the focus of your proposal.*
* **Geographic Focus:** We-Fi has a strategic goal of allocating 50 percent of its resources to activities in IDA countries and/or fragile and conflict affected countries/territories over the lifetime of the We-Fi funds. Proposals should be ambitious in targeting those who are often hardest to reach and underserved, either because they are marginalized populations or are in remote, poor, or rural areas. We-Fi welcomes requests for global/regional, multi-country, and single country proposals. For multi-country proposals, please provide a list of countries where We-Fi funded activities might be implemented, and a breakdown of financing allocation for each country. We-Fi can finance programs or projects in [ODA-eligible countries](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf) and territories that are eligible to receive funding from the [International Bank for Reconstruction and Development (IBRD)](https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups) and/or the [International Development Association (IDA](http://ida.worldbank.org/about/borrowing-countries)), including through trust funds administered by the World Bank. For a reference of country/territory groups, please see Attachment 5.
* **Implementation Period:** Three dates are important in the context of We-Fi financing: 1) the last date by which the Governing Committee can approve We-Fi Funding Requests is October 31, 2022, subject to extension by a decision of the Governing Committee with the agreement of the Trustee; 2) the last date by which the Trustee may transfer funds to IPs (the end of the “We-Fi Term”), is October 31, 2027 (or such longer period as agreed by the Trustee and Governing Committee) and 3) the end date of a project, program or activities undertaken by an IP is to be set out in the respective Funding Request. The program/project end date may extend beyond the We-Fi Term to meet the needs of the program/project.

**PROGRAM/PROJECT FINANCING DATA**

* **Total cost of Program/Project:** This is defined as the total cost for the program/project, inclusive of all funding needed. If the overall program/project, which could be funded from multiple sources, is focused on objectives that are fully aligned with We-Fi’s objectives, then include that amount here. If We-Fi funding is used for a broader program/project where only certain components are focused on the same objectives as We-Fi, then only costs for those components should be counted.
* **Leverage:** A key goal of We-Fi is to unlock significant financing for women entrepreneurs, including from the IP and the public and private sectors and to catalyze ongoing sustainable investments beyond the initial We-Fi investments. (See guidance above on mobilization/leverage calculation). See table and footnotes below for more information.

|  |  |  |
| --- | --- | --- |
| **Sources of Financing** | **Amount** *(do not round)* | |
| We-Fi financing requested (A) |  | |
| IP Contribution [1] [[6]](#footnote-7) (B) |  | |
| [Public-sector contributions [2][[7]](#footnote-8) (C)](file:///C:/Users/wb82666/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7S3FZWQ1/Mobilization%20Table%20and%20Budget%20-templates.xlsx#RANGE!B12) |  | |
| Private sector financing directly mobilized [3] [[8]](#footnote-9) (D) |  | |
| [Additional funds mobilized [*specify*] (E)](file:///C:/Users/wb82666/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7S3FZWQ1/Mobilization%20Table%20and%20Budget%20-templates.xlsx#RANGE!B12) |  | |
| Total Non-We-Fi Mobilized Funds (F) = (B+C+D+E) |  | |
| Total Activity Size (G)= (F+A) |  | |
| Of which % IDA and % FCS |  |  |
| Leverage (F/A) |  | |

* **We-Fi Definition for Women-Owned / Led SMEs:** The following definitions of women-owned and women-led SME beneficiaries (WSMES) should be used keeping in mind We-Fi’s focus on SMEs that have the potential to grow and employ others.

Definition of Women-Owned/Women-Led Firm

* ≥ 51% owned by a woman/women; or
* ≥ 20% owned by a woman/women; and have ≥ 1 woman as CEO/COO (President/Vice-President); and have ≥ 30% of the board of directors comprised of women, where a board exists;

Definition of Small and Medium Enterprise

**For finance projects:** the IFC definition should be used as-is, including the loan (financing) proxy[[9]](#footnote-10)

**For non-finance projects:** the IPs may choose a proxy indicator from the following:

* **Financing**: Financing between $5,000 and $1 million ($2 m in selected large economies)
* **Employees**: Between 5 and 300 employees
* **Sales**: Sales between $50,000 and $15 million
* **Assets**: Assets between $50,0001 and $15 million

**Exceptions:** Additionally, if any exceptions to the above definitions are required, IPs should include a request for the exception in their We-Fi funding proposal. Please refer to the Clarification on the Definitions for Women-Owned/Led SMEs note provided by the Secretariat.

### ATTACHMENT 2: Criteria for Scoring the Program/Project Proposal

These are the criteria that will be used in assessing and scoring each funding request proposal.

|  |  |  |
| --- | --- | --- |
| **Program/project design and implementation:** | | (40 points) |
| **Prioritized Themes:** alignment with prioritized themes. | | (10 points) |
| **Mobilization/leverage:** unlocking other sources of financing. | | (5 points) |
| **Geographic Focus:** Reaching IDA-eligible, fragile and conflict-affected countries/territories, and/or underserved women entrepreneurs in middle-income countries. | | (15 points) |
| **Results Based Mechanisms and Blended Finance:** Demonstrating the effective use of Results Based Mechanisms and blended finance principles. | | (15 points) |
| **Strategic Partnerships:** design, stage, and potential scale/impact of partnerships. | | (15points) |
| **Total:** | **(100 points)** | |
|  | |  |

**Program/Project design and implementation (40 points overall)**

Design (up to 10 points):  A strong proposal will provide the rationale for the chosen theme(s) program/project, the justification of using We-Fi funding, and a clear explanation of how the funds requested will be utilized. It will align with We-Fi principles (as scored below). Strong proposals will clearly articulate a theory of change, demonstrating how the program/project will contribute to We-Fi objectives and how these activities will lead to anticipated sustainable development impact at both firm and market levels. Proposals must be fully aligned with the We-Fi’s overall objectives as expressed in the We-Fi Results Framework. Proposals must include how activities will reach women-owned/led SMEs, including whether a pipeline exists or needs to be developed. Strong proposals will include and demonstrate how We-Fi funding is directly used to catalyze financing mechanisms that will reach WSMEs and increase their access to finance. Proposals must briefly specify the barriers that women-owned/led SMEs face in the context which the project will address.

Proposals will also be scored on the extent to which the proposed monetary budget demonstrates value (economy, efficiency, and effectiveness). Strong proposals will have program/project budgets that are geared toward achieving the maximum impact for beneficiaries.  The funding requests set forth in proposals must be realistic and explain the basis for the amount of funding requested.

Implementation (up to 10 points): Proposals must describe how, and by whom, the components, subcomponents and related activities of the program/project will be implemented and achieve program development objects. A strong proposal will employ evidence-based approaches and demonstrate the ability to scale effective approaches.  The proposal should indicate how this program/project is innovative, and how it builds on lessons learned from best practices for starting and growing women-owned/led SMEs. It should also demonstrate how the program/project activities build on already existing activities or complement other initiatives. Proposals are encouraged to invest in developing and testing innovative products and services that can be scaled if successful.

Risk management (up to 5 points):  The proposal will be scored on the extent to which there is a rigorous plan for risk management, including fiduciary and safeguards policies.  IPs must ensure that activities are executed in accordance with the IP’s policies and procedures. These policies include but are not limited to its procurement, financial management, disbursement and fiduciary and safeguard policies, its framework to prevent and combat fraud and corruption, and its screening procedures to prevent the use of funds to finance terrorist activities. Proposals should specify a strong risk management approach, especially for promoting labor standards and acceptable working conditions. Proposals should also confirm that activities being financed are not on their institution’s exclusion or prohibition list. [[10]](#footnote-11)

Results Framework (up to 10 points): Proposals must have clearly defined expected results.  Proposals will be scored to the extent they include a robust results framework. The results framework includes several types of measurements. First, two high-level, aggregate indicators:  1) the total number of women-owned/led SMEs financed by We-Fi programs and 2) the total amount of private sector financing leveraged. Second, results at the level of objectives, outcomes, and outputs. Third, results at the facility level.  Rigorous impact evaluations should accompany the testing of new approaches and products. Proposals are required to describe the mechanism that will be used to monitor and evaluate We-Fi financed activities. Strong proposals will have a comprehensive plan for gathering and sharing data and building capacity in areas where data gaps exist.

Sustainability (up to 5 points): Proposals will be scored on the extent to which their activities are likely to have a lasting, sustainable impact. Countries in which public sector investments are made should demonstrate a commitment towards lowering legal and regulatory barriers to, or aid in, the promotion of women’s entrepreneurship. Private sector activities should demonstrate how they will lead to commercially viable long-term business results for the private sector.

**Prioritized Themes: (10 points)**

Three prioritized themes have been identified as part of this funding round *1) Women-led SMEs in Value Chains, 2) Leveraging**Disruptive Technologies and Digital Financial Inclusion for Women-led SMEs, 3) Scaling Early Stage Finance for Women-led SMEs*, and have been summarized in Attachment 4. Proposals for activities outside of the prioritized themes continue to be eligible for funding and can apply, but would not be granted the full score in this section.

**Mobilization/leverage: (5 points)**

Proposals will be evaluated on the extent to which they unlock other financing for women entrepreneurs, including from the IP and the public and private sectors and catalyze ongoing sustainable investments beyond the initial We-Fi investments. Leverage could be demonstrated by mobilizing existing IP resources to scale up successful pilots and applying the knowledge, evidence, and lessons generated to support efforts to improve the business environment and improve the design of future projects and programs. They unlock IP, other private sector, and public bilateral financing for women entrepreneurs and catalyze ongoing sustainable investments in sectors beyond the initial We-Fi investments. Proposals that have an ambitious plan for mobilizing commercial funding from private sector financial entities and/or crowding in public funds from government, IFIs, bilateral donors, or others for women entrepreneurs will receive a higher score. Partnerships with foundations or other entities which mobilize contributions in the form of parallel co-financing to provide direct support to a We-Fi Implementing Partner or Partners for a program of We-Fi activities, or to an entity serving as a downstream implementer in support of We-Fi funded activities are also encouraged.

**Geographic Coverage: Reaching IDA-eligible countries, fragile and conflict-affected countries/territories, and/or underserved women entrepreneurs in middle-income countries (15 points)**

We-Fi has a strategic goal of allocating 50% of its resources to activities in IDA countries, including blend] and/or fragile and conflict-affected states over the lifetime of the We-Fi funds (The Governing Committee will not allocate funds that drop the portfolio below 50%). Proposals should be ambitious in targeting those who are often hardest to reach and underserved, either because they are marginalized populations or in remote, poor, or rural areas. Proposals with a strong focus on low-income and/or fragile countries and/or underserved women entrepreneurs in middle-income countries will receive a higher score.

For those proposals targeting Africa, special consideration will be given to those with activities in G20 Compact Countries.[[11]](#footnote-12)

**Results Based Mechanisms and Blended Finance: Demonstrating effective use of results based mechanisms, grants funds/blended finance (15 points)**

Proposals must demonstrate effective use of results based mechanisms, (e.g. impact bonds, pay for success contracts, outcome based pricing, challenge funds etc.), with the aim to maximize development impact, catalyzing innovation, and surfacing new partners. Proposals will be evaluated on the following: use of innovative instruments to; improve outcomes, encourage innovation, crowd-in funding/resources, surface new or strategic partners, crowd-in new actors, access hard to reach beneficiaries, change behaviors, promote sustainability, etc. Additional information on examples of Results Based Mechanism can be found in Attachment 3.

**Strategic Partnerships: (15 points)**

Partnerships are critical to the success of a We-Fi proposal.  We-Fi proposals must reflect partnerships with organizations related to the Theme(s) of the proposal with focus on global and regional private sector entities, and non-profits, and can also include, UN agencies, international financial institutions (IFI), Donors, bilateral agencies, civil society organizations, and business groups. Strategic partnerships which demonstrate potential to be transformational or scale impact will receive higher scores. Well designed and formed partnerships (i.e. joint venture, grants, contractual, cooperation agreement etc.), with clear mandates and objectives, as well as partnerships which strategically allocate material amounts of We-Fi resources among partners, will receive higher scores. While strategic partnerships do not have to be fully finalized at the time of proposal submission, evidence of their level of maturity/readiness will be factored into the scoring.

### ATTACHMENT 3: Menu of Results Based Mechanisms (RBM)

*Example of Results Based Mechanisms:*

* **Impact Bonds:** which provide up-front financing in the form of loans from investors to service providers, or special purpose vehicles, with the promise of repayment plus interest by outcome funders conditional on results being achieved. The management of an impact bond is outsourced to an expert bond program manager.
* **Social Success Notes (SSN):** a variation of an impact bond, but instead of requiring the outcome funder to repay the investor for the loan provided, in a SSN, the repayment is split between the outcome funder and the borrower, promote sustainability, etc.
* **Pay for Success Contract (Grant or Loan):** Bilateral agreements between a payor and service providers. Under the arrangement, service providers receive some funding from the payor to operate the project or program, and receive reimbursement for costs and/or additional performance payments if they achieve agreed-upon outcomes.
* **Outcome-based Pricing:** Bilateral agreements between a investor and service providers. Under the arrangement, service providers receive working capital from the investor to implement a project, and depending on performance the pricing of interest rate for repayments will be lower or higher depending agreed upon outcomes being achieved.
* **Social Impact Incentives (SIINC):** Funding instrument that rewards high-impact enterprises with premium payments for achieving social impact. The additional revenues enable the enterprises to improve profitability and attract investment to scale.
* **Challenge Funds:** Funds that galvanize people outside the funding organization to develop innovative solutions to development challenges. The funding organization awards the prize funds to the organization(s) with the best solution that achieves desired outcomes, and helps surface new types of partnerships.
* **Awards and Prizes:** Competitions which help surface existing solutions, partners, and ideas which help support innovation and implementation.
* **Auctions:** Funders commit to funding upfront, provide initial funding to implementing partners to get started/pilot and then award full-funding or share of funding via auction to most competitive bidder based on outcomes achieved and cost efficiency.

### ATTACHMENT 4: Prioritized Theme Overviews

The focus of this call for proposal is on the following three prioritized themes:

1) Women-led SMEs in Value Chains,

2) Disruptive Technologies and Digital Financial Inclusion for Women-Led SMEs

3) Scaling Early Stage Finance for Women-Led SMEs

*Proposals for activities outside of the prioritized themes continue to be eligible for funding and can apply using this funding application window, but will receive a discounted score.*

**Theme Overviews**

*Note: The following theme overviews are intended to provide general information about each theme but are not intended to limit the issues or specify a preferred model of engagement. Implementing Partners are expected to design their projects/programs based on their knowledge of the key issues and opportunities for impact.*

***Women-led SMEs in Value Chains:***

Women-owned businesses are an essential part of value chains as producers of raw materials and inputs, innovators, distributors, market agents, and consumers, and help value chains to grow. However, gender inequalities in access to education and training, economic assets and financial services, can determine where within the value chains women-owned businesses participate and these are often in the smaller, lower value-add, less efficient, more vulnerable and lower-paid parts of the value chain. These gender inequalities are pronounced for businesses operating in the agriculture sector, as well as other sectors in many emerging economies, and their ability to engage at various levels of the value chain.

Investing in women-owned businesses and incorporating them into value chains presents an opportunity not only to generate growth and improve the lives of people making, selling, and buying products, but also to ensure more stable and efficient supply chains, draw on a diverse pool of talent, and reach new consumer segments.[[12]](#footnote-13) However, on average corporations and Governments spend trillions of dollars acquiring goods and services yet purchases from women-owned businesses account for a less than 1 percent of the total spend.[[13]](#footnote-14) Corporations can make a substantial impact on how women-owned businesses are integrated into global value chains.The sheer size and volume of corporate purchasing worldwide means that corporations have the potential to dramatically change the way suppliers and value chains operate.

Increasingly, corporations are diversifying their supply chains because they realize that their suppliers are likely to become their customers.[[14]](#footnote-15) Women suppliers have a unique understanding of the women’s market which can benefit corporations. Empowering women-owned businesses by connecting them to global and regional value chains presents a unique opportunity to create business growth and value and strengthen women’s economic and social empowerment. Proposals including local value chains are also eligible, but should demonstrate potential to scale WSMEs access to markets (e.g. multiple layers of the supply or distribution channel being addressed in the program), and can directly or indirectly benefit from growth drivers linked to international trade (e.g. will this lead to improved efficiency, quality/standards, or capacity for WSMEs to engage with regional or global corporates).

***Women-Led SMEs Leveraging Disruptive Technologies and Digital Financial Inclusion***

Disruptive technologies can play an important role in improving innovation, productivity, access to finance, and access to markets for women entrepreneurs. Research suggests platforms have a total market value is US$4.3 trillion[[15]](#footnote-16) and can be a driving factor in the way women businesses grow as they address information asymmetries, making it easier for companies to find customers, monetize underutilized assets, and reduce transaction costs. Not only can women entrepreneurs benefit by leveraging technology and digital platforms to access new markets, but women entrepreneurs are using technologies to develop new business and innovative business models which growth businesses and opportunities for others in they countries. For example, closing the mobile gender gap can provide an effective catalyst for economic growth. It is estimated a 10% increase in mobile internet penetration in a market, can result in a 0.25–1.38% increase in GDP in a country.[[16]](#footnote-17) With their talent, drive, and ability to leverage technology, women entrepreneurs are capable of building companies of the future that create stable, well-paying jobs, but also support the development of their countries.

Women entrepreneurs often start businesses using less capital than men and are more likely to borrow from family and friends rather than through financial institutions. Digital financial services can enable financial institutions and developing countries to reach populations previously unreachable by traditional channels. Mobile money and other digital financial services are expanding rapidly, reaching women and the poor, who tend to be overlooked by traditional banks. Yet while advances in digital finance can leapfrog[[17]](#footnote-18) financial inclusion and provide women with increased privacy and agency, the rapid growth of digital finance has not erased the global gender gap in financial inclusion nor the persistent gender digital divide. To ensure that women are not left behind by the digital revolution in financial services, efforts need to be made towards simultaneous improving women’s access to digital financial services, addressing issues women face when trying to use these services, and tackling gender norms around financial independence.[[18]](#footnote-19)

A recent World Bank report shows that facilitating technology adoption is crucial to help Africa revamp the private sector, while fostering bottom-up innovation to adapt technologies to local needs is vital to increase the competitiveness of local businesses. [[19]](#footnote-20) Research by the Global Entrepreneurship Monitor covering 74 countries, found that women entrepreneurs have a 5% greater likelihood of innovativeness than men.[[20]](#footnote-21) However, despite this opportunity, women entrepreneurs are less likely to be seen in the Information and Communications Technology (ICT) sector, and fewer than 2% are starting business in ICT, slightly more than one-fourth the proportion of men on average.[[21]](#footnote-22)

Ensuring that women have access to disruptive technologies is essential to enable them to access finance, access new customers and markets, develop new innovations, and create the businesses of tomorrow.

***Scaling Early Stage Finance for Women-Led SMEs***

In order to finance innovative, scalable, and high impact WSMEs it is important to create the necessary conditions to promote the development of the business angel community, early-stage finance, the venture capital ecosystem, and the financial instruments they use to invest. Nearly US$800 billion is dedicated to funds investing in emerging markets (Preqin 2018a, 2018b).[[22]](#footnote-23) However, only 7% of private equity and venture capital in emerging markets is invested in female-led businesses.[[23]](#footnote-24)

Gender gaps in the representation of women as allocators and recipients of capital put access to financing at risk for female entrepreneurs and may reduce investment returns for funds. Women are significantly underrepresented among the investment decision-makers at private equity and venture capital firms, as well as in the leadership of companies that receive this investment capital. Data shows that women partners invested in almost two times more in many women-owned companies as did their male partners, giving women more opportunity to grow their businesses and create jobs and when companies have gender-balanced teams their returns can be as much as 20 percent higher.[[24]](#footnote-25) Funds managed by gender balanced teams outperformed male or female dominated teams across emerging market geographies.

The development of scalable early stage finance solutions targeting women entrepreneurs is important to ensure their financing needs are met to fuel the growth of their businesses. Addressing these financing challenges could require developing a wider range of investment products targeting women entrepreneurs, as well as exploring new fund structures, moving to more flexible time horizons, lower management fees, higher carried interest, and broader exit options.[[25]](#footnote-26) However, fostering the supply of business angel or venture capital ecosystem is not enough to guarantee access to external sources of finance that can support experimentation and innovation. The investment readiness, or quality of the pipeline, is also a crucial element. A holistic approach is needed to consider the structure of investment funds and the diversity of their leadership, the design of a range of investment products to meet the varying needs of the entrepreneur and ensuring that investment readiness programs working accelerators, intermediaries, and angel networks link funding to pipeline development. Proposals should demonstrate how We-Fi funding is directly used to catalyze financing mechanisms that will reach WSMEs and increase their access to finance.

### ATTACHMENT 5: Countries/Territories Eligible for We-Fi funding

We-Fi can finance programs in ODA-eligible countries[[26]](#footnote-27) and territories that are eligible to receive funding from the International Bank for Reconstruction and Development (IBRD)[[27]](#footnote-28). We-Fi has a strategic goal of allocating 50 percent of its resources to activities in International Development Association (IDA) countries[[28]](#footnote-29) and/or Fragile and Conflict Affected Situations (FCS). This note is to clarify which countries counted toward the We-Fi IDA/FCS funding allocation and how that allocation is assessed.

**International Development Association (IDA) countries:** A country’s eligibility for IDA support depends first and foremost on a country’s relative poverty, defined as GNI per capita below an established threshold and updated annually ($1,175 in fiscal year 2020). There are 76 IDA eligible countries, of which 59 are considered IDA[[29]](#footnote-30). Another 17 countries are IDA-eligible based on per capita income levels, but they are also creditworthy for some IBRD borrowing. They are referred to as “blend” countries. In addition to pure IDA and IDA Blend countries, there are other categories such as IDA Transition countries and Countries Borrowing on Small Economy Terms. For We-Fi's calculation and categorization of the IDA portion of the IDA/FCS portfolio allocation, **we will include activities implemented in IDA and IDA-blend countries, and countries borrowing on small economy terms, but will not include IDA Transition**. *Please see below for the list of IDA countries.*

**Fragile and Conflict Affected Situations (FCS):** The World Bank Group’s annually releases the Harmonized List of Fragile Situations to indicate the countries affected by violence and instability. Most but not all, countries included in the Fragile and Conflict Affected Situations (FCS) are IDA and -blend countries. In addition, West Bank & Gaza, Iraq, Lebanon, and Libya are considered FCS. For We-Fi's calculation and categorization of the FCS portion of the IDA/FCS portfolio allocation, **we will include *We-Fi projects implemented in all Countries on the Harmonized List.*** *Please see below the full list of FCS countries.*

**Global or Non-Geographic Activities:** We-Fi funding earmarked by IPs for non-client facing activities (e.g. fees, global research etc.) will be allocated on a pro rata basis to IDA/FCS based on the IP’s portfolio division for country specific programs.

**Changes to the IDA / FCS list:** Note that IDA and FCS eligibility are assessed periodically, and countries may be added or taken off the lists. We-Fi will consider eligibility at the time of We-Fi's funding allocation decision to the IP, such that if a country falls off one of the lists they will still be included in that category if they were included at the time of allocation. If a country is added to one of the lists, activities in that country will be counted as eligible for IDA/FCS categorization thereafter.

**Application of the 50% rule:** The 50% rule is applicable to the overall We-Fi portfolio. Therefore, it will be strictly enforced when making allocation decisions, such that at any allocation decision point the projected overall We-Fi portfolio will included no less than 50% of funding going towards IDA/FCS countries (we are currently at 63%). With that understanding, geographic diversity is ***also*** part of the scoring mechanism, and the Technical Expert Panel and the Governing Committee will continue to consider geographic balance and inclusion above and beyond the 50% in their funding decisions.

**IDA Borrowing Countries:**

761 countries are currently eligible to receive IDA resources. 

**Harmonized List of Fragile Situations:**



1. *Proposals for activities outside of the prioritized themes continue to be eligible for funding and can apply using this funding application window. Accordingly, for those proposals which are not on one of the prioritized themes, please indicate the focus of your proposal.* [↑](#footnote-ref-2)
2. including [IDA Blend but not IDA Gap or Transition](http://ida.worldbank.org/about/borrowing-countries) [↑](#footnote-ref-3)
3. [WBG Harmonized List of Fragile Situations](https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations) [↑](#footnote-ref-4)
4. See Attachment 1 for definitions and guidance on this table [↑](#footnote-ref-5)
5. See: Report by the Development Finance Institutions (DFI) Working Group on Blended Concessional Finance for Private Sector Project, October 2017. [↑](#footnote-ref-6)
6. [1] Amount of IP contribution or amount of guarantee provided by IP. If We-Fi funds that are used by the IP to prepare a lending/investment activity that is subsequently financed by an IP’s own resources, then the latter amount may be included in the leverage measure. Such contributions can be reported as leverage only after the new activities are approved by IPs board. Only the funding allocated for WSME activities can be counted as leverage. [↑](#footnote-ref-7)
7. [2] Includes funds mobilized from other IFIs, bilateral funds, government institutions. Funds must be allocated specifically to support the We-Fi activity to be counted as leverage. [↑](#footnote-ref-8)
8. [3] Includes any additional financing catalyzed for WSMEs by private sector partners (e.g. investors, financial institutions, corporates, VC funds). This includes funding mobilized directly (e.g. joint investments made by IPs with other private investors), and funds mobilized indirectly (e.g. additional lending made by banks to WSMEs – only if level of lending to WSMEs goes above the investment received by the bank from the IP/other investors and We-Fi). [↑](#footnote-ref-9)
9. **Definition of SME / VSE:** The IFC SME and VSE definitions are as follows:

   **For SMEs**: two of the following three for shall apply:

   Employees: SME Between 10 and 300 employees

   Sales: Sales between $100,000 and $15 million

   Assets: Assets between $100,000 and $15 million

   or

   Loan size Proxy: In lieu of the above, a loan size proxy definition can also be used, when loans of between $10,000 and $1 million are provided ($2 million in the case of [selected large economies](https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors))

   **For Very Small Enterprises (VSEs)**: firms with 5-10 employees or firms receiving loans between $5,000 and $10,000. [↑](#footnote-ref-10)
10. If the IP does not have an exclusion or prohibition list, IPs should follow the IFC’s Exclusion List: See:http://www.ifc.org/wps/wcm/connect/topics\_ext\_content/ifc\_external\_corporate\_site/sustainability-at-ifc/company-resources/ifcexclusionlist [↑](#footnote-ref-11)
11. More information is available on the G20 Compact with Africa at the following link: <https://www.compactwithafrica.org/content/compactwithafrica/home.html> [↑](#footnote-ref-12)
12. BSR. “Women’s Empowerment in Global Value Chains: Framework for Business Action” BSR Report   
    <https://www.bsr.org/reports/BSR-Report-Womens-Empowerment-Supply-Chains.pdf> [↑](#footnote-ref-13)
13. Vazquez and Sherman, 2013. *Buying for Impact: How to Buy from Women and Change the World. http://www.prweb.com/releases/201304/nextemergingmarket/prweb10602307.htm* [↑](#footnote-ref-14)
14. Foggin, 2010. *Breaking into the Corporate Supply Chain.*  [↑](#footnote-ref-15)
15. The Rise of the Platform Enterprise: A Global Survey, January 2016, The Center for Global Enterprise [↑](#footnote-ref-16)
16. GSMA, Connected Women, The Mobile Gender Gap Report, 2018 [↑](#footnote-ref-17)
17. https://www.cgdev.org/publication/are-mobile-savings-silver-bullet-help-women-grow-their-businesses [↑](#footnote-ref-18)
18. https://nextbillion.net/harnessing-the-potential-of-digital-finance-for-women/ [↑](#footnote-ref-19)
19. Blimpo, M. P., et al. 2017. Leapfrogging : the key to Africa's development - from constraints to investment opportunities (English). Washington, D.C. : World Bank Group. [↑](#footnote-ref-20)
20. Global Entrepreneurship Monitor (GEM).2017. Women’s Entrepreneurship Report 2016/2017. [↑](#footnote-ref-21)
21. Global Entrepreneurship Monitor (GEM).2017. Women’s Entrepreneurship Report 2016/2017. [↑](#footnote-ref-22)
22. These statistics (Preqin 2018b) include venture capital, growth equity and buyout, but do not include real estate or infrastructure investments. [↑](#footnote-ref-23)
23. &4 IFC, 2019. Moving toward gender balance in private equity and venture capital. [↑](#footnote-ref-24)
24. https://www.ifc.org/wps/wcm/connect/79e641c9-824f-4bd8-9f1c-00579862fed3/Moving+Toward+Gender+Balance+Final\_3\_22.pdf?MOD=AJPERES&CVID=mCBJFra [↑](#footnote-ref-25)
25. Chau, V., and K., Hornberger. (2018). The Missing Middles, Segmenting Enterprises to Better Understand Their Financial Needs. Collaborative for Frontier Finance. [↑](#footnote-ref-26)
26. <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-27)
27. <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

    The following IBRD/IDA countries are not ODA recipients: Bulgaria, Chile, Croatia, Poland, Romania, Russia, Seychelles, St. Kitts and Nevis, Trinidad and Tobago, Uruguay. Note that this list may change periodically. [↑](#footnote-ref-28)
28. The International Development Association (IDA) is an Institution of the World Bank Group dedicated to helping the world’s poorest countries. Overseen by 173 shareholder nations, IDA aims to reduce poverty by providing loans and grants for programs that boost economic growth, reduce inequality, and improving living conditions. [↑](#footnote-ref-29)
29. Bolivia, Sri Lanka, and Vietnam graduated from IDA at the end of FY17. These countries continue to receive transitional support on an exceptional basis through the IDA18 period (FY18-20) from We-Fi. [↑](#footnote-ref-30)