

CREATING MARKETS AND FINANCE FOR ALL



IFC We-Fi Project Briefs

The International Finance Corporation Women Entrepreneurs Finance Initiative (IFC We-Fi) program, a part of the World Bank Group We-Fi program: *Creating Markets and Finance for All*, works with private sector actors to enable women entrepreneurs to start and grow firms. IFC uses We-Fi funds to provide investment and advisory support, in line with Blended Finance principles. These efforts are enriched by global research and partnerships. The IFC We-Fi program works primarily with the private sector and the World Bank We-Fi program works mainly with the public sector.

THE THREE PILLARS

The World Bank Group We-Fi program: *Creating Markets and Finance for All*, comprises **three pillars**:



I. Strengthening Entrepreneurial Ecosystems

Fostering an inclusive legal, regulatory, and policy framework for WSMEs; supporting women entrepreneurs at every stage of growth through training, mentoring, and peer networks; championing gender-lens investing through funds, incubators, and accelerators; and providing direct investments in high-potential women entrepreneurs



II. Expanding Financial Services

Supporting banks, fintechs, and insurance companies with blended finance investments to reach more WSMEs; providing advisory services to design and deploy products and services for women entrepreneurs



III. Improving Market Access

Integrating women-owned small and medium enterprises into domestic and international value chains and producer networks; increasing procurement opportunities for WSMEs

18 IFC projects in 15 countries and 3 Global Partnership Programs



A women-owned start-up in Pakistan has created a tech-based network of female math tutors to teach primary school students through an after-school mathematics program. In Tunisia, a start-up accelerator is giving seed funding to entrepreneurs with a focus on women-led start-ups. A bank in Indonesia is lending to WSMEs and providing non-financial training programs for the bank's women client base. These are some of the results enabled by the IFC We-Fi program.

A blurred background image showing a person sitting at a desk, possibly in an office or study environment. The person is out of focus, and the desk has some papers and a calculator on it.

REGION

AFRICA

- TIDE AFRICA FUND | Africa Region
- NSIA BANQUE | Côte d'Ivoire
- UNION BANK | Nigeria



TIDE AFRICA | Africa Region

Providing women tech entrepreneurs with access to early stage capital

Market Gaps

REGIONAL CONTEXT

Several African countries have emerged in the last decade as centers for tech activity and entrepreneurship, led by South Africa, Nigeria, and Kenya.

Over 50 percent of the world's population growth is expected to come from Sub-Saharan Africa in the next 30 years.

While there are actors providing seed stage funding, there are few investors that can write larger Series B+ checks.

ACCESS OF FINANCE

Venture capital funding for startups across the continent in 2017 reached an all-time high of more than \$500 million — a 53 percent year-on-year increase. Yet, only \$30 million — a 5.3 percent — went to companies with female co-founders (Crunchbase Data 2012-2017).

This is even lower than the emerging markets, where the level is already low. Between 2012-2017, only 9 percent of companies that received venture funding were women-led startups (Crunchbase Data 2012-2017).

Barriers



LIMITED ACCESS TO EARLY-STAGE CAPITAL



LACK OF SKILLED INVESTORS WITH PATIENT CAPITAL

EXPECTED IMPACT



20

Women founders receiving structured mentorship



10%

Fund investments in women-led companies

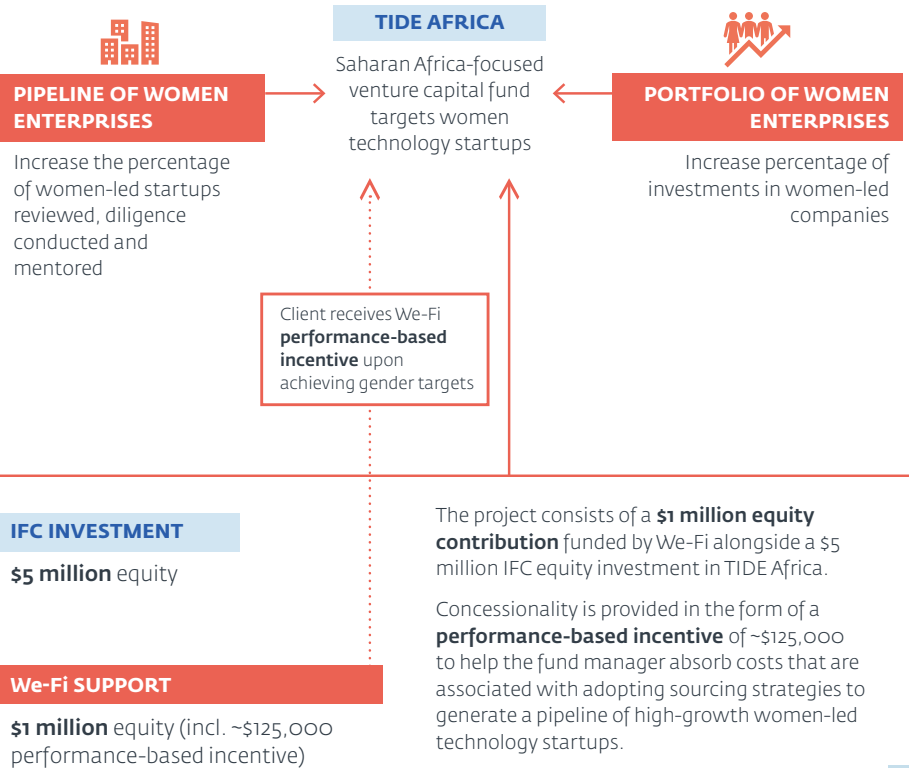
TIDE Africa is a venture capital fund focused on fast-growth tech-enabled businesses in Sub-Saharan Africa, particularly in Lagos and Nairobi.

ABOUT THE PROJECT

This project invests in TIDE Africa to provide technology entrepreneurs with access to early and mid-stage capital in Sub-Saharan Africa and increase the inclusion of women-owned businesses in the Sub-Saharan Africa technology ecosystem.

The We-Fi support to TIDE Africa helps catalyze the fund's outreach and provision of finance to early stage high-impact women-owned/managed technology startups.

BLENDED FINANCE STRUCTURE



NSIA BANQUE | Côte d'Ivoire

Providing women-owned small and medium enterprises (WSMEs) with access to finance in Côte d'Ivoire

Market Gaps

COUNTRY CONTEXT

According to Enterprise Survey 2014, 69 percent firms identified that access to finance is a major constraint in Côte d'Ivoire.

The micro, small and medium enterprises (MSMEs) finance gap is \$2.3 billion (representing ~7 percent of GDP) (MSME Finance Gap Report, 2017).

Domestic credit to the private sector has grown from 18 percent to 26 percent in 2018 as a percent of GDP, according to the World Bank

Bank lending is relatively concentrated in loans to a few large customers, implying that small and medium enterprises (SMEs) are generally served.

ACCESS OF FINANCE

Compared to men, financial access for women is 97 percent lower and their ability to borrow for their businesses is 57 percent lower (World Bank Global Index, 2017).

Barriers



BANKS HAVE UNDER-DEVELOPED PRODUCTS AND CHANNELS TO REACH SMEs



SMEs LACK OF FINANCIAL OR OPERATIONAL TRACK RECORDS



SMEs LACK OF COLLATERAL AND WEAK PROPERTY RIGHTS

EXPECTED IMPACT



500

of WSMEs loans



\$23 million

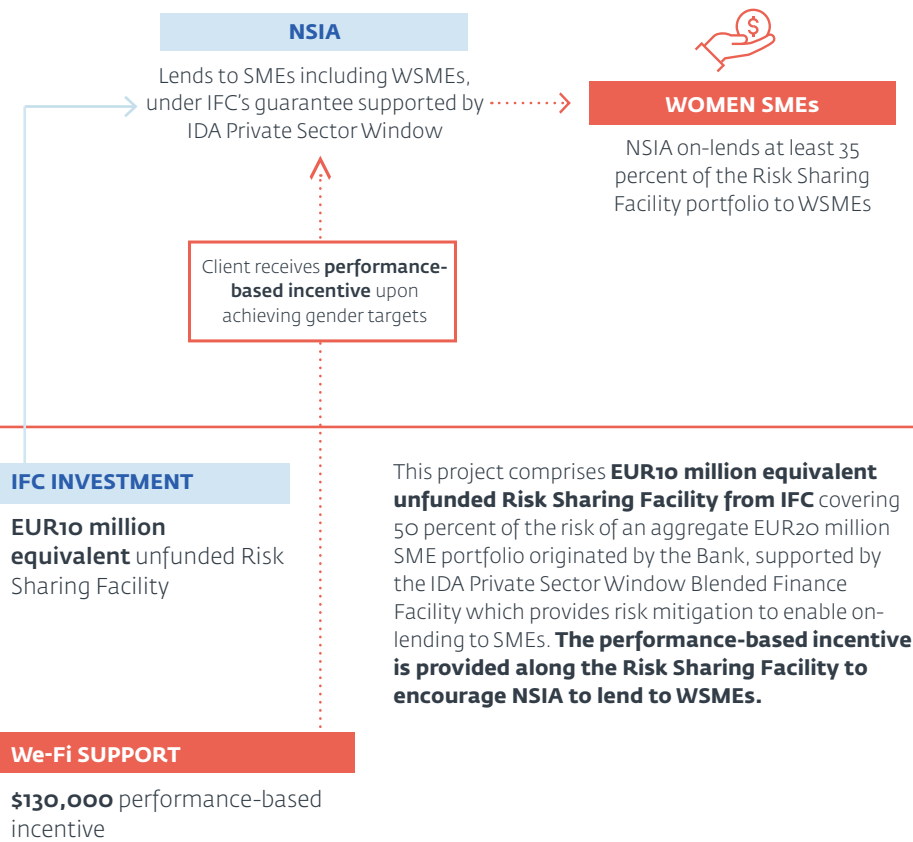
In financing to WSMEs

NSIA Banque based in Côte d'Ivoire is a part of a leading regional financial service provider in West and Central Africa.

ABOUT THE PROJECT

The project is part of IFC's Small Loan Guarantee Program (SLGP) and will increase lending to SMEs and very small enterprises (VSEs), including to WSMEs with the support of We-Fi, in Côte d'Ivoire. The project is expected to be supplemented with IFC advisory services to help the client with SME market segmentation and product development. It comprises a Risk Sharing Facility to NSIA to help the bank on-lend to SMEs and WSMEs.

BLENDED FINANCE STRUCTURE



UNION BANK | Nigeria

Providing women-owned small and medium enterprises (WSMEs) with access to finance in Nigeria

Market Gaps

COUNTRY CONTEXT

Small and medium enterprises (SMEs) in the Northern and Delta regions of Nigeria account for ~82 percent of financially excluded individuals and firms in the country. The SME finance gap in Nigeria is estimated at ~\$92 billion (MSME Finance Gap Database, updated Oct 2018).

About 33 percent of firms cite financing as a major or severe obstacle for growth (Enterprise Survey 2014).

ACCESS TO FINANCE

The WSME finance gap in Nigeria is estimated to be about \$18 billion in 2017 (MSME Finance Gap Database, updated Oct 2018).

25 percent of Nigerian women reported saving to start, operate or expand a business. However, only 5 percent of women are able to receive a loan from a bank, forcing them to rely on informal or personal sources of finance, which severely constricts their ability to operate and scale their businesses (Enterprise Survey 2014).

Barriers



HIGH COST OF BANK LENDING AND REACHING OUT TO SMEs



ASYMMETRIC INFORMATION ABOUT SMEs PERFORMANCE



BANK'S UNDERDEVELOPED FINANCIAL PRODUCTS AND CHANNELS TO REACH SMEs



SMEs LACK OF COLLATERAL AND WEAK PROPERTY RIGHTS



SMEs LACK OF FINANCIAL OR OPERATIONAL TRACK RECORDS



SMEs LIMITED MANAGEMENT AND FINANCIAL SKILLS

EXPECTED IMPACT



229

Loans to WSMEs



\$25 million

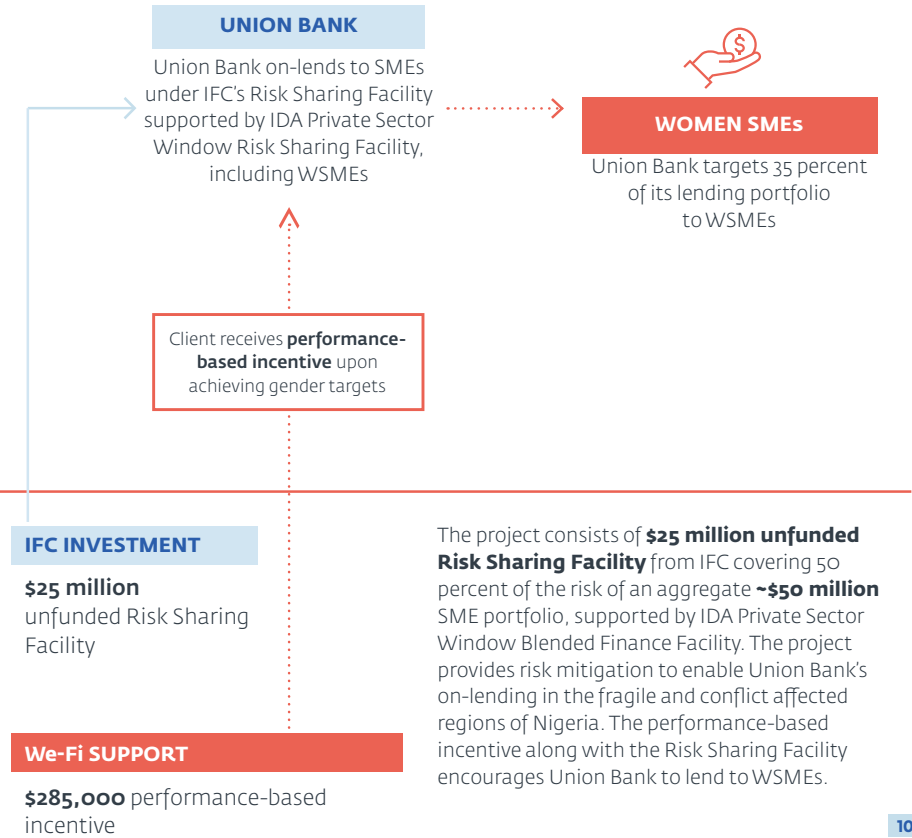
In financing to WSMEs

Union Bank of Nigeria PLC is one of the leading financial institutions in Nigeria focused on lending to SMEs.

ABOUT THE PROJECT

This project is part of IFC's Small Loan Guarantee Program (SLGP) and comprises an unfunded SME Risk Sharing Facility with Union Bank to support the expansion of its SMEs business in Nigeria and strengthen its lending to SMEs, especially to those operating in fragile and conflict-affected regions of Nigeria. We-Fi funds will help incentivize Union Bank to increase its on-lending to WSMEs.

BLENDED FINANCE STRUCTURE





REGION

MIDDLE EAST, NORTH AFRICA (MENA)

-
- FLAT6LABS | Tunisia



FLAT6LABS | Tunisia

Providing training and seed capital to women tech entrepreneurs

Market Gaps

COUNTRY CONTEXT

Tunisia ranks #1 globally in annual new science and engineering graduates per thousand people in the labor force according to the Bloomberg Innovation Index.

In Tunisia, and more broadly in the Maghreb region, funding and support for early stage companies remains scarce.

ACCESS TO FINANCE

Only 6 percent of total private equity and venture capital funding in MENA goes to female-led businesses.

In emerging markets, as women-led companies journey through the equity funding ecosystem, the number of participants keep dropping compared to male peers for the later stages of financing, when companies access larger amounts from private equity as growth capital (Moving Toward Gender Balance in Private Equity And Venture Capital Report, 2019).

Barriers



**LIMITED
INCLUSION IN
THE SELECTION
PROCESS**



**INSUFFICIENT
ACCESS TO
TARGETED
TRAINING**



**LACK OF
INCLUSIVE
NETWORKS AND
BUSINESS
CONNECTIONS**

EXPECTED IMPACT



20%

Women entrepreneurs
undergoing bootcamp training



25%

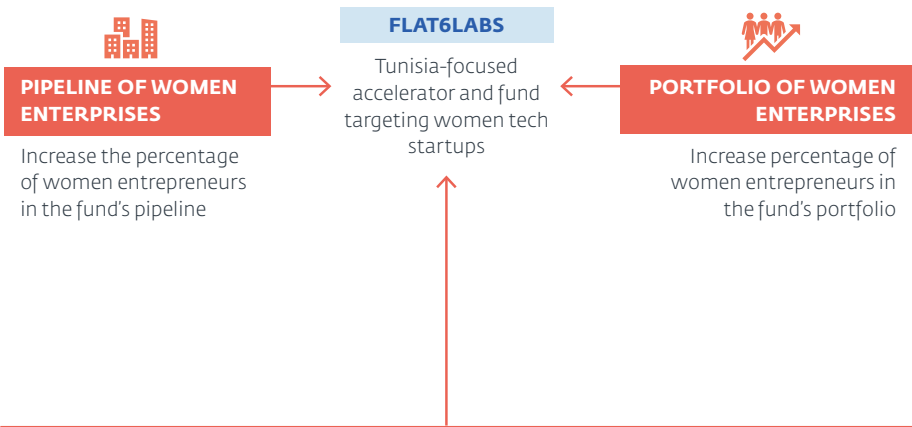
Women-led startups
receiving funding

Flat6Labs Tunisia (or Anava Seed Fund) is a startup accelerator and early stage fund that aims to support the startup ecosystem in Tunisia and North Africa by providing entrepreneurs with mentorship, seed funding and support services. Its parent entity, Flat6Labs, is headquartered in Cairo and is the largest accelerator and early stage investment platform in MENA.

ABOUT THE PROJECT

The project is an investment in Flat6Labs to enable early stage investments and provide entrepreneurial support to over 75 tech companies. Flat6Labs is leveraging We-Fi to help women-owned startups become a dedicated focus of the fund.

BLENDED FINANCE STRUCTURE



IFC INVESTMENT

\$500,000 equity

We-Fi SUPPORT

\$500,000 equity

The project consists of a **\$500,000 investment** by We-Fi alongside a **\$500,000 IFC equity investment** in Flat6Labs. No concessionality associated with the We-Fi funds (funds provided on the same terms as IFC), as investment was sufficient to encourage fund to take on a gender inclusive lens.



REGION

SOUTH ASIA

- SARMAYACAR | Pakistan
- COVERFOX | India
- NATIONS TRUST BANK | Sri Lanka



SARMAYACAR | Pakistan

Supporting women entrepreneurs to scale

Market Gaps

COUNTRY CONTEXT

There are very few commercial/professional venture funds in Pakistan. While elements of a vibrant ecosystem exist — increasing investor sentiment, favorable demographics, growing base of digital consumers and rising internet and smart phone penetration — access to venture capital in the region is significantly low. Pakistan's five-year average annual venture capital penetration rate of 0.006 percent is at the bottom-end for most emerging markets.

ACCESS TO FINANCE

The median female-led business in Pakistan has received only 65 percent of the funding received by the median male-led business.

Female-led businesses are slightly less likely to receive second round funding than male-led businesses (13 percent compared with 17 percent, respectively) as per the Moving Toward Gender Balance in Private Equity And Venture Capital Report, 2019.

According to the World Bank Group, Pakistan's current female labor force participation rate is only 24 percent, compared with 46 percent for fragile and conflict countries and 47 percent globally. Of those women that do participate in the work force in Pakistan, the jobs are highly concentrated in agriculture (72 percent) and craft and related trade occupational segment (13 percent).

Barriers



LACK OF QUALITY INVESTORS



LIMITED FUNDING OPPORTUNITIES

EXPECTED IMPACT



25%

Fund investments in women-led companies



40%

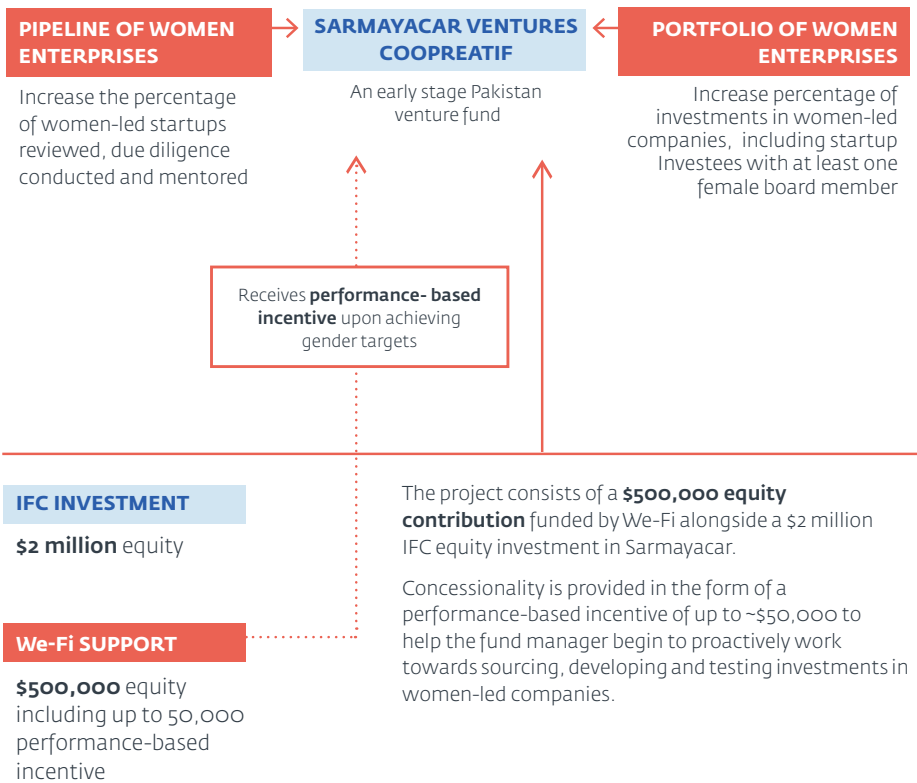
Women-led tech companies reviewed in pipeline

Sarmayacar is one Pakistan's first formal structured early-stage venture funds that focuses on tech-enabled businesses. Established in 2016, Sarmayacar ('investor' in Urdu) is a syndicate of local and international angel investors pooling capital and expertise to back Pakistani startups.

ABOUT THE PROJECT

This project invests in Sarmayacar, which provides early stage support and training to start-ups in Pakistan. The We-Fi contributions aims to catalyze the fund's outreach and investments in early stage high-impact women tech start startups.

BLENDED FINANCE STRUCTURE



COVERFOX | India

Enabling women entrepreneurship through insurtech

Market Gaps

COUNTRY CONTEXT

India's insurable population is anticipated to reach 750 million in 2020 with a life expectancy of 74 years.

India is one of the most underpenetrated insurance markets in the world, with a Gross Written Premium to GDP ratio of around 3 percent compared to the global average of 6 percent (Swiss Re Sigma 2017).

Women need jobs acutely, with only 14.7 percent of permanent full-time workers are female.

ACCESS TO INSURANCE/ ENTREPRENEURIAL JOBS

While insurance penetration is low in India, it is even lower for women.

The AXA She for Shield report, 2015 study suggests a coverage 41 percent lower than men as males are considered to be the primary bread winners and women are perceived to depend on men for finance decisions. Relatedly, only 1 in 4 insurance agent is a woman.

According to the WBG Enterprise Survey, in India, the percentage of firms without majority female ownership is 2.8 percent, compared to 9.6 percent for South Asia and 14.5 percent globally.

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Barriers



LIMITED ACCESS TO NETWORKS AND MENTORS



LIMITED ACCESS TO FINANCE



LACK OF CAPACITY



HIGH DISTRIBUTION COSTS
(especially in rural areas)

EXPECTED IMPACT



10,000

Women Point of Sales
Persons (POSPs) certified
by Coverfox



15,000

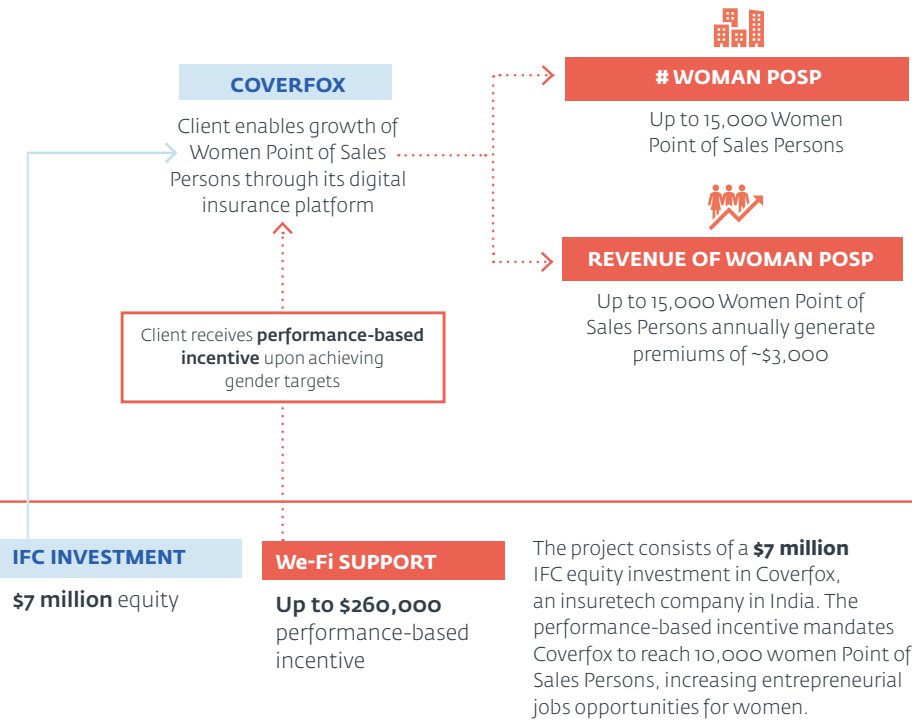
Women Point of Sales
Persons generate
premiums of ~\$3K annual

Coverfox is an online licensed insurance broker in India targeting both the B2C and the B2B2C market. The company has integrated with over 30 insurers and offers more than 100 insurance policies in motor, life and health insurance.

ABOUT THE PROJECT

The project aims to increase entrepreneurial job opportunities for women in India, especially in rural areas and low income states. The We-Fi performance incentive will support Coverfox to implement a sustainable programmatic approach to attract, train, certify and mentor women sub-brokers, enabling them to generate income. It also helps improve access to insurance for women.

BLENDED FINANCE STRUCTURE



NATIONS TRUST BANK | Sri Lanka

Improving access to finance for women-owned small and medium enterprises (WSMEs) in Sri Lanka

Market Gaps

COUNTRY CONTEXT

SMEs are the key drivers of growth in Sri Lanka, contributing 52 percent of GDP and 45 percent of employment (National Policy Framework for Small and Medium Enterprises (SMEs) Development, ACTION PLAN, Ministry of Industry and Commerce, 2016).

SMEs are generally credit constrained, limiting their ability to invest in technology and other resources required for growth.

Estimated 26 percent of SMEs are WSMEs, and they are even more acutely credit constrained.

ACCESS TO FINANCE

An estimated 14 percent of formal SMEs in Sri Lanka are WSMEs and majority of these are dependent on informal sector financing.

The formal financing gap for WSMEs is estimated to be \$695 million (SME Finance Forum), representing 4.06 percent of the total MSME financing gap due to the smaller average loan sizes of WSMEs.

Barriers



INFORMALITY



LACK OF COLLATERAL



SOCIAL BIASES

EXPECTED IMPACT



1143

Loans to WSMEs



\$9.3 million

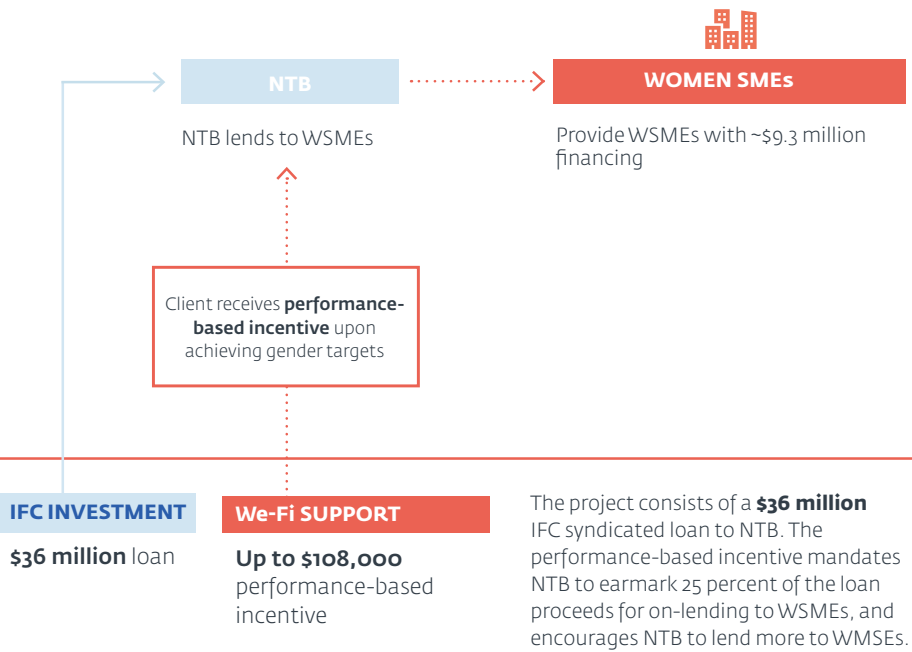
In financing to WSMEs

Nations Trust Bank (NTB) is the seventh largest private bank in Sri Lanka. It now serves more than 670,000 customers via 94 branches spread across the country. .

ABOUT THE PROJECT

We-Fi provides a performance incentive on 25 percent of the loan earmarked to women. This project is expected support NTB's first gender-based lending program.

BLENDED FINANCE STRUCTURE





REGION

EAST ASIA AND PACIFIC

-
- OCB WOMAN LOAN | Vietnam
 - OCBC NISP | Indonesia



City Mart Holding Co., Ltd.

OCB WOMAN LOAN | Vietnam

Improving access to finance for women-owned small and medium enterprises (WSMEs) in Vietnam

Market Gaps

COUNTRY CONTEXT

Estimated SME finance gap of \$23.6 billion. Vietnam faces acute challenges in financial inclusion and gender equality (SME Finance Forum).

69 percent of Vietnamese do not have accounts with formal financial institutions and only 29 percent of adult females (age 15+) in Vietnam have an account with a financial institution (Global Findex Database).

Although MSMEs account for at least 97 percent firms in Vietnam, 57 percent do not have access to credit, and WSMEs are more acutely impacted (SME Finance Forum).

ACCESS OF FINANCE

There is substantial unmet demand from WSMEs. The financing gap for WSMEs in Vietnam is estimated at \$6.2 billion (SME Finance Forum).

According to the 2017 IFC Study, "Women-Owned Enterprises in Vietnam" Perceptions and Potential", Vietnam's women own 95,906 or roughly 21 percent of formal enterprises (of which 57 percent are micro enterprises, 42 percent are SMEs and 1 percent are large enterprises).

Based on an IFC's survey of 500 SMEs in Vietnam, less women-owned SMEs (WSMEs) have access to bank loans compared to men-owned SMEs in the past two years (37 vs 47 percent).

Barriers



**SMEs LACK
OF FINANCIAL
RECORDS**



**SMEs
INSUFFICIENT
ACCESS TO
COLLATERAL**



**BANK'S
COMPLEX LOAN
APPLICATIONS**

EXPECTED IMPACT



1,731

of loans to WSMEs



\$101 million

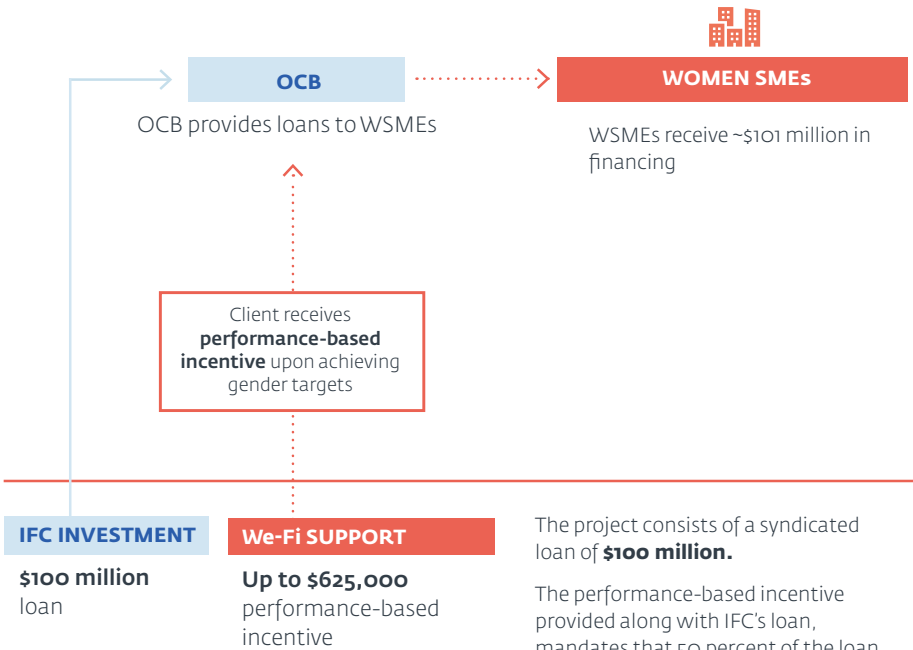
In loans to WSMEs

Orient Commercial Bank (OCB) is a Vietnamese mid-tier bank that integrates supply-chain and digital finance initiatives to serve SMEs. The bank has a network of 120 branches throughout Vietnam.

ABOUT THE PROJECT

This project will assist OCB in Vietnam to increase its lending to SMEs and WSMEs. We-Fi's performance incentive along with the IFC financing package is expected to boost OCB's reach to women entrepreneurs and double the size of its WSMEs lending portfolio.

BLENDED FINANCE STRUCTURE



OCBC NISP | Indonesia

Increasing access to finance while addressing financial literacy

Market Gaps

COUNTRY CONTEXT

99 percent of Indonesian firms are micro, small, and medium enterprises (MSMEs), contributing around 60 percent of GDP and providing around 76 percent of employment (SME Finance Forum). IFC's 2017 MSME Financing Gap Study found that the financing gap for MSMEs is estimated at \$166 billion or around 20 percent of GDP, with over half of MSMEs fully or partially constrained in their access to financing.

ACCESS TO FINANCE

SMEs drive the country's economic growth and women own 34 of medium enterprises and 50 percent of small businesses in Indonesia.

Women own 34 percent of medium-sized enterprises in urban areas and almost 53 percent of microenterprises. As per the Women-owned SMEs in Indonesia: A Golden Opportunity For Local Financial Institutions Market Research Study, women own 52.9 percent of the microenterprises, 50.6 percent of small and 34 percent of medium-sized enterprises in urban areas in Indonesia.

Women-owned businesses remain disproportionately constrained by a significant lack of supplied credit, despite their attractiveness as customers.

Barriers



WSMES LACK OF COLLATERAL



WSMES ACCESS TO TAILORED FINANCIAL PRODUCTS

EXPECTED IMPACT



320

of loans to WSMEs



\$105 million

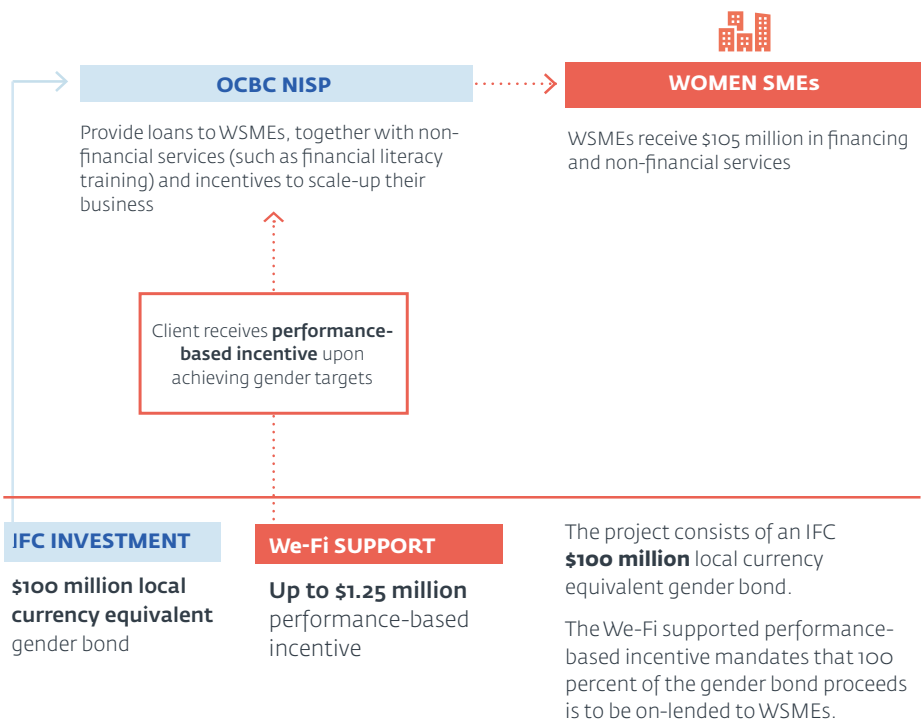
In financing to WSMEs

OCBC NISP is the fourth oldest bank and eighth largest commercial bank in Indonesia. It focuses on SMEs and the consumer mortgage business.

ABOUT THE PROJECT

The project consists of a gender bond, the proceeds of which will finance eligible women entrepreneurs and WSMEs. The We-Fi performance-based incentive will be used to help (i) foster financial inclusion for underserved women entrepreneurs, and (ii) support non-financial services, such as financial literacy training for WSMEs.

BLENDED FINANCE STRUCTURE







OTC
补气益

中华
始创于1
广州白云山陈李济

麦

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International Finance Corporation We-Fi (IFC We-Fi) program, is a part of the World Bank Group We-Fi program, a joint global initiative of the World Bank and IFC. The initiative tests innovations and scales up successful pilots under three thematic pillars—strengthening entrepreneurial ecosystems, expanding financial services, and improving market access—and includes research, investment, advice, partnerships and peer-learning efforts. The program commenced in June 2018 with projects to be implemented over three to seven years.

The Women Entrepreneurs Finance Initiative (We-Fi) is a collaborative partnership among 14 governments, six multilateral development banks (MDBs), and other public and private sector stakeholders, hosted by the World Bank Group. It seeks to address financial and non-financial constraints faced by women-owned small and medium enterprises in developing countries. We-Fi has allocated close to \$250 million over the past two years and programs will benefit 115,000 women-owned SMEs in over 50 countries.



Creating Markets, Creating Opportunities

