



Women Entrepreneurs Finance Initiative (We-Fi):

THEMATIC FUNDING REQUEST
ON A PROPOSED FINANCING
IN THE AMOUNT OF {USD 11.25 MILLION}

TO THE

{ISLAMIC DEVELOPMENT BANK}

FOR

Empowering West African Women Small and Medium Enterprises in Rice
Value Chains (EWASME)

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LIST OF ABBREVIATIONS

CSI	Core Sector Indicator
EA	Executing Agency
FCS	Fragile and Conflict-affected Situations
FI	Financial Institutions
ICD	Islamic Corporation for the Development of the Private Sector
IDA	International Development Association
IFDC	International Fertilizer Development Cooperation
IsDB	Islamic Development Bank
M&E	Monitoring and Evaluation
MFI	Microfinance Institutions
OMS	Operation Management System
PMU	Program Management Unit
RBM	Results Based Management
RPC	Regional Program Coordinator
RRVCP	Regional Rice Value Chain Program
SDC	Swiss Development Cooperation
SSA	Sub-Saharan Africa
STI	Science, Technology and Innovation
ToC	Theory of Change
UNDP	United Nations Development Program
USD	United States Dollars
WEDYES	Women Entrepreneurship Development and Youth Employment Support
We-Fi	Women Entrepreneurs Finance Initiative
WSMEs	Women Owned/Led Small and Medium Enterprises
WVSEs	Women Owned/Led Very Small Enterprises

I. EXECUTIVE SUMMARY

The 5-year USD 11.25 million investment in “**Empowering West African Women-SMEs in the Rice Value Chains**” (hereafter referred to as EWASME) Program aims to support women entrepreneurs in four West African countries (Guinea, Niger, Senegal and Sierra Leone) to better engage in the rice value chain, particularly at the post-production stage. Rice is one of the most demanded staple foods and highest traded food products in West Africa and relies heavily on women’s labor and input. Although women are heavily engaged in the rice value chain, their participation in ways that significantly improve their livelihoods is limited by several factors, both financial and non-financial. Through the support of the Women Entrepreneurs Finance Initiative (We-Fi), the proposed Program will address:

- a) Financial constraints: The cost of borrowing from commercial banks and microfinance institutions (MFIs) in the countries is high (typically over 20% per annum) and thus prohibitive for most of the women owned/led small and medium enterprises (WSMEs) let alone the women owned/led very small enterprises(WVSEs) to access financing, as well as additional challenges associated with the lack of guarantors and collaterals required by the financial institutions;
- b) Non-financial constraints: These are related to several factors, most notably women’s low financial management skills and ability to develop and manage sustainably profitable agribusinesses, in addition to the cultural and regulatory frameworks that hinder their access to resources and assets and;
- c) Poor links to existing private sector-led value chains that could address constraints on both the input and output markets.

These three interlinked challenges drive the Theory of Change (ToC) of the EWASME Program, which underscores the importance of addressing them in order to empower WSMEs and WVSEs through effective engagement in sustainable rice value chains in West Africa.

To this end, the EWASME Program will leverage on the financial and programmatic framework of the Islamic Development Bank’s (IsDB) 5-year Regional Rice Value Chain Program (RRVCP) approved in 2018.

The EWASME Program will be implemented in four of the RRVCP countries (Guinea, Niger, Senegal and Sierra Leone), and it will provide targeted support to WSMEs and WVSEs to address the three main constraints they face in increasing their profit revenue, upgrading and diversifying their economic activities within the rice value chain. This way, a synergy is created that will result in a “win-win” for both programs.

The EWASME Program will target 500 WSMEs and 500 WVSEs across the four countries. EWASME will also utilize the grant matching scheme to address the challenges of lending from the financial institutions to WSMEs and WVSEs. In

addition, the Program will help improve the enabling environment of women to engage effectively in entrepreneurial activities. Specifically, it will support the rice value chain development by helping to increase market access and contributing to financial sustainability for the WSMEs and WVSEs in the target countries. This will have both direct and indirect impact on actors of the RRVCP.

II. EWASME THEMATIC REQUEST – DATA SHEET

BASIC INFORMATION

Program/Project Name:	Empowering West African Women Small and Medium Enterprises in Rice Value Chains (EWASME)
IP Name	Islamic Development Bank (IsDB) 8111 King Khalid St.-Al Nuzlah Al Yamanian Dist. Unit No. 1 Jeddah 2444-22332 Kingdom of Saudi Arabia
Thematic Focus Area (s) ¹	Women SMEs and VSEs in Value Chains
# of WSMES benefiting from the program	500 WSMES and 500 WVSEs in total 1000 as direct beneficiaries.
Regions	West Africa (Guinea, Niger, Sierra Leone, and Senegal)
Countries (% IDA ² ; % FCS ³)	100% IDA
Private Sector, Public Sector or Both	Private and Public Sectors
Implementation Start Date	01 April 2021
Implementation End Date	31 March 2026
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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.

² including [IDA Blend but not IDA Gap or Transition](#)

³ [WBG Harmonized List of Fragile Situations](#)

We-Fi FUNDING REQUEST

USD (millions)	Year 1	Year 2	Year 3	Total	% IDA <i>Estimate</i>	% FCS <i>Estimate</i>
Total requested from We-Fi	3.75	3.75	3.75	11.25	100%	-

TOTAL PROGRAM COST & LEVERAGE:

Sources of Financing	Amount <i>(do not round)</i>
We-Fi financing requested (A)	USD 11,250,000
IP Expected Contribution (B)	USD 53,386,176
Public-sector contributions (C)	USD 9,700,000
Private sector financing directly mobilized (D)	
Additional funds mobilized (E)	USD 27,818,499
Total Non-We-Fi Mobilized Funds (F)= (B+C+D+E)	USD 90,904,675
Total Activity Size (G)= (F+A)	USD 102,154,675
Of which % IDA and % FCS (IDA+FCS / G)	IDA 100%
Leverage (F/A)	9.08

Empowering West African Women SMEs in Rice Value Chain in Guinea, Niger, Sierra Leone, Senegal

We-Fi FUNDING PROPOSAL

III. PROGRAM DESCRIPTION

A. Program Objectives

1. Rice is one of the most important food crops in Africa. In sub-Saharan Africa (SSA), it is not only the most demanded staple food, but it is also the highest traded food product in the region. In West Africa, rice is an important staple food, vital for food security and nutrition. The sub-region is the largest rice market in SSA, accounting for two-thirds of rice demand including 50% imports, which represents about 20% of the total volume of rice traded globally. The economic activities related to the production, processing, distribution, and consumption of rice are considered fundamental for economic development, food security, and poverty reduction.
2. Women in sub-Saharan Africa play an essential role throughout the rice value chain. They produce 60% to 80% of total output, contribute 60% to 80% of total labor inputs, account for 70% of distribution and almost 90% of sales. Although women are heavily engaged in the rice industry, their income remains low compared to men, which reduces their effectiveness as an actor in the value chain and thereby the effectiveness of the overall value chains.
3. Women engaged in rice production are limited by socio-economic factors that prevent them from upgrading and expanding their businesses within the rice value chain. Women producers face difficulty accessing adequate productive resources such as land, credit, agricultural inputs, education, extension services, and appropriate technology. In processing, women are mainly engaged in lower-skilled activities that are generally manual. This is due to their limited skills/know how, inability to have access to the capital needed to purchase equipment, productive resources and enough rice to supply within the value chain. In retail, women are confined to roles in the periphery, making it difficult for them to access central positions that generate the most wealth and connect with central actors to expand their business opportunities.
4. The EWASME Program will address these barriers and provide support for upgrading and advancing women-owned/led SMEs and VSEs within the rice value chain in Guinea, Niger, Senegal and Sierra Leone. The Program aims to empower WSMEs and WVSEs engaged in the rice value chain (post-production) in the targeted countries, complementing and creating synergies with ongoing initiatives in these countries supported by IsDB and other partners. The EWASME resources will directly benefit the identified WSMEs and WVSEs in the four beneficiary countries.

5. To this end, the EWASME Program will provide direct support to 500 WSMEs, and 500 WVSEs, engaged in the rice value chain in the four target countries. The Program financing will directly help to generate 5,000 direct jobs and support 20,000 indirect jobs across the four countries.

B. Country/Regional/Global Context:

6. Despite being the largest producer of rice in SSA, West Africa is unable to meet the increasing national demand both in terms of availability and preferred quality and is, therefore, importing large amounts to meet the large deficits. Currently, self-sufficiency ranges among the target countries between 30% in Niger to 69% in Guinea. This is not only unsustainable, but it also threatens resilience and increases vulnerability by undermining economic development. Women play a major role within the rice value chain. In Guinea, women are not only at the forefront of processing but are also central in marketing as well. In Sierra Leone, women put more hours than men into rice production, while in Senegal, they manage 56% of the total area of rice cultivation, and in Niger, they constitute 56% of the population involved in rice value chain.
7. Generally, women in the agriculture sector in SSA are poorly informed of opportunities that would improve their work situation as well as productivity. Since they are poorly represented in rural organizations and institutions, they do not participate equally in decision-making processes, and in collective activities that could positively impact their socio-economic advancement. While women are active in the production and retail sale of local rice, gender stereotypes and social restrictions relegate them to peripheral positions, putting them at a disadvantage from connecting with central actors and establishing commercial trade relationships. Furthermore, customary laws, norms, beliefs and practices impact the extent to which women can access, own and control resources. The EWASME Program will contribute to narrowing the gap between men and women in the rice value chain while promoting an enabling environment for the WSMEs and WVSEs to grow and expand across all levels of the rice value chain.

Location of the EWASME Program in the four target countries

Country	Program Locations/districts
Guinea	Dinguiraye, Kouroussa, Siguiiri, Dubreka, Boké, Boffa and Coyah Wonkifong
Niger	Dosso, Niamey and Tillabery
Senegal	Thies, Kaolack, Fatick, Kolda, Sedhiou, Ziguinchor
Sierra Leone	Torma Bum and Tonkolilil

C. Thematic Context

8. With the advancements of rice as a structural component of the West African diet, governments within the region have included it within their development efforts to realize national food security and contribute to poverty reduction. Despite the significant role women play in the national food security sector in West Africa and within the rice value chain, little support is directed to strengthening their productivity and advancement within it.
9. Women's participation in spheres that can significantly improve their livelihoods is limited by several factors. Three such factors that the EWASME Program will address are: a) Financial constraints – cost of borrowing from commercial banks and microfinance institutions (MFIs) is high (often over 20% per annum) and thus prohibitive for most to access financing in addition many are unable to meet the requirements of financial institutions in relation to the provision of guarantors and collaterals, b) Non-financial constraints that are related to several factors, most notably their financial management skills and ability to develop and manage sustainably profitable businesses as well as customary laws and traditions pertaining to land use rights, and c) Poor links to existing private sector- led value chains that could address constraints on both the input and output markets

D. The Program Description

10. The EWASME Program combines capacity development and grant matching aimed at supporting WVSEs and WSMEs to grow and move up the rice value chain, and connect with local markets and potentially regional markets for future opportunities as well as creating an enabling environment for their growth within the rice value chain.
11. The Program will generally focus on enhancing the processing and distribution capacity of women involved in the rice value chains. This will, however, be done in ways that leverage on the significant funding and technical expertise that the RRVCP brings forth. Financing in the form of matching-grants will be provided to 500 WSMEs and 500 WVSEs, across the four program countries, their effective participation is crucial in the overall development of a sustainable rice value chain. Financing of WSMEs and WVSEs will be scrutinized and monitored to ensure that the funds are delivered to the rightful SMEs and VSEs with a clear proof of legal registration of their enterprise that is consistent with the legal regulatory procedures of each country.
12. Opportunities of connecting the WSMEs and WVSEs with the private sector off-takers, and having private sector entities to provide the collateral, banks require for lending will be explored where possible. This way, the need for a matching grant will be minimized. These arrangements will increase the scope of the Program to support many WSMEs and WVSEs in a sustainable manner.

13. The Program will leverage the IsDB's 5-year Regional RRVCP approved in 2018, that aims to support the national objectives of the referenced four countries. The EWASME Program will strengthen and reinforce women's participation in the economic opportunities that the RRVCP will create. A summary on the RRVCP is provided in Annex 5.
14. The Program will address some of the challenges that hinder WSMEs and WVSEs including access to land tenure and access to finance through assessment of regulatory frameworks and community dialogues as well engagement with financial institutions to ensure their gender sensitivity and responsiveness to the needs of WSMEs and WVSEs.
15. The synergy between the two programs will result in win-win effects and potentially generate significant impacts. The lessons learnt will also serve well other similar development programs in the target countries and beyond.

I. Key Components

16. The EWASME Program has five main components that primarily focus on providing support to various types of WSMEs and WVSEs engaged in the rice value chain with the aim of reaching a total of 1,000 (500 WSMEs and 500 WVSEs) across the four countries. The five components are: (A) Capacity Development Support, (B) Business Upgrading and Growth, (C) Value Chain Development for Market Access (D) Enabling Environment and (E) Program Management Support.

Component A. Capacity Development Support

17. The objective of this component is to develop the capacity of 500 WSMEs and 500 WVSEs to improve their productivity and business skills, with the aim of increasing their profits, as well as improving business connections and engagement in larger supply chains.
18. The component will finance specialized and targeted capacity development of WSMEs and WVSEs in financial and organizational management, business skills, as well as technical skills in processing and post-harvest (including marketing)
19. Activities of this component include but are not limited to: (i) targeted training, coaching, and mentoring on good agricultural practices, including exchange visits and short term incubation in more mature agribusinesses; and (ii) provision of training and facilitation of the preparation of sound business plans and/or certification. The beneficiaries, especially WVSEs, will be accompanied by agriculture/agribusiness advisors that will work with them to customize sound projects and business plans, as well as identify specific capacity-building needs and prerequisites for their success. For example, WSMEs and WVSEs engaged in rice processing, aggregation, trade and retail will receive training on managerial and business management (quality oversight, fair and competitive business

practices, and financial and personnel management) and marketing. WSMEs and WVSEs engaged in trade and retail will receive training and advisory support in business development and social capacity development (partnership development, networking).

20. This component will be implemented with the support of a specialized firm/consultant (service provider) with experience in delivering technical assistance to agribusinesses and organizing agricultural value chain structuring activities.

- a. Considering the COVID-19 situation, online and virtual training will be the preferred modalities, but in person training and mentoring will be implemented as well, given that not all beneficiaries will have access to remote technologies. For the online/virtual training, the Bank shall combine several options to enhance the reach of the training programs, such as mobile phone – SMS text messages. This works well in many rural areas. The Program will buy sufficient credit (airtime) from the mobile service companies/providers to support long training sessions and exchange with agricultural advisors and SMEs.
- b. Radio and TV programs – these means of communication are much used in the rural areas for information exchange. They will be used, to the extent possible, for some of the training programs. Some of the training materials will be recorded and played on local FMs and made available to the trainees/listening groups.

21. For situations where in person training is necessary, the events/ trainings will be organized, adhering to social distancing and applying preventive measures against contamination such as providing protective kits (masks handwashing/sanitation kits) and including preventive and health awareness messages about COVID-19.

Component B. Business Upgrading and Growth

22. This component will focus on providing financial support to the WSMEs and WVSEs through grant-matching assistance that will help them to improve their sales as well as create business opportunities for them along the rice value chain. The financial institutions (commercial banks and MFIs) (FIs) working with the RRCVP and beyond will be engaged in EWASME to serve as the custodians of the matching grants. The component has two sub-components (i) matching grants for WSMEs and (ii) matching grants for WVSEs.

23. The process of selection and qualification of each WSME and WVSE and the modality of grant deployment and utilization will be clearly outlined in the Operational Manual that will be developed. This is deemed effective and is based on IsDB's previous microfinance support programs for women and youth in many countries in Africa including Senegal, Nigeria, Burkina Faso Egypt, and Tunisia, as well as the grants matching model of the We-Fi financed Business Resilience for

Value Added Enterprises (BRAVE) Women Program. It is envisaged that the Program will improve the operational and financial performance of the WSMEs and WVSEs in the rice value chain, create new employment opportunities, increase their access to a more robust financing and, improve the quality of life for the local communities.

Sub-Component B 1: Grant Matching for WSMEs:

24. Those WSMEs primarily engaged in processing, aggregation, trade and retail, and that have completed business development support training, will be eligible for the grant matching scheme offering a grant of a maximum of USD 9,000. The minimum size of the matching grant will be calibrated on a country-by-country basis and outlined in the Operational Manual.
25. The grant will be used mainly for (i) the provision of essential capital assets, (ii) working capital and relevant services to support the growth and expansion of their enterprises, (iii) upgrading their products which may be through the introduction of technologies that improve the quality of products and product differentiation, and/or (iv) improving the efficiency, for example, through reducing costs or increasing delivery. Among the most needed support in the rice sector are improving processing, packaging, aggregation, storage and distribution. These are critical to developing competitive products and value chains. The RRVCP has earmarked significant resources for increasing production and productivity. The EWASME Program's interventions will, therefore, mostly cover the post-production segment of the rice value chain.

Sub-component B 2: Grant matching for WVSEs

26. The Program will work with a total of 500 WVSEs in the four countries. The WVSE will be selected based on their significant role within the rice value chains. Each WVSE will be supported with a matching grant of up to USD 4,500. A flexible matching ratio by the WVSEs would range from 50% down to 20%. Depending on the income generation capabilities of the WVSEs, the matching contribution might be expressed in cash or in kind.
27. The WVSEs' grants would be used for the provision of essential capital assets, working capital and relevant services to support the growth and expansion of their enterprises or to start entrepreneurial activities in another level of the value chain. The actual needs will be captured in the business plans developed in component A.

Component C. Value chain development for market access

28. This component will support WSMEs to create business linkages with value chain actors for growth and sustainability. Business linkage activities will include industry trade fair participation, mentoring and other match-making activities, as well as encouraging firms to enhance the participation of WSMEs moving up the rice value chain.
29. Suitable partnerships will be facilitated between producers and the market facing actors including the private sector. The Program will promote a range of approaches including linkages with market channels such as modern retail, organized national markets, e-markets, and exporters. The Program will benefit from the RRVCP efforts in strengthening capacities of producers on trade and market requirements such as quality standards and certification.
30. The component will strategically invest in strengthening/developing the capacity of value chain actors in marketing aspects by organizing events, exposure visits and branding of local rice, which will improve the visibility of WSMEs' products and market accordingly.
31. A Consultant/firm will be hired to support WSMEs to create business linkages with value chain actors for growth and expansion. Business linkage activities will include industry trade fair participation, mentoring (including short term incubations where possible), other match-making activities as well as engagement with firms to enhance the participation of WSMEs moving up the rice value chain.
32. The Program will benefit from existing e-platforms for facilitating women markets' access at the national and regional levels to facilitate knowledge exchange and networking for WSMEs in agriculture, such as "Buy From Women Platform" or 'Promote our Women Entrepreneurs and their products'
33. By strengthening business linkages and developing internal networks, the Program will also help strengthen the resiliency of the rice value chain and mitigate disruptions in the supply chain. It will as well ensure uninterrupted access to markets in times of crisis, one of the effects of COVID-19 crisis.

Component D. Enabling environment

34. This component will focus on addressing the regulatory and socio-cultural factors that serve as barriers for WSMEs and WVSEs at the micro, meso and macro levels.

Sub-component D1: Social and cultural factors

35. An NGO will be engaged in the Program to develop and carryout community outreach activities and dialogues to raise awareness and understanding on norms and practices that impact and create barriers for women's engagement in

entrepreneurial activities. This includes engagement with community leaders and women groups in dialogues on customary laws affecting women's access to land and assets as well as on other related norms. It is expected that this sub-component will raise awareness at the community level on the importance of women's economic empowerment and their access to productive resources that are beneficial for the whole community. This in turn will have an impact in creating an enabling environment for women entrepreneurship in the rice value chain beyond the Program.

Sub-component D2: Improve financial institutions capacity to serve women clients

36. Country Program Coordinators will work with the FIs to improve their engagement with female clients, WSMEs and WVSEs in particular. The IP will apply its Resource Guide for Financial Institutions to support the FIs in understanding the needs and challenges of female clients. This includes imparting staff, especially client-facing staff, with knowledge and skills on how to provide better support to female clients and entrepreneurs in particular and helping the institutions to review and align their code of conduct, which safeguard and protect their clients from exploitation and developing gender sensitive screening procedures (client appraisals and screening tools). The Country Program Coordinators will also work with the institutions to customize their financial products and outreach to be more suitable/responsive to women's needs.

Sub-component D3: Reduce gender biases in laws and policies

37. A consultancy firm will be hired to undertake an assessment⁴ at the national level on gender-equitable land tenure to identify policies and legal frameworks that prevent women from land ownership and identify appropriate measures if adopted, that will help increase women's access to land as an asset or collateral for greater access to financial resources. The findings will be disseminated to policy makers at both national and local levels to galvanize support and action to address the issues highlighted by the assessment. Advocacy and other interventions will be conducted by the Program as proactive measures to address the problems identified through the assessment.

Component E. Program Management Support

38. A lean Program Management Unit (PMU) consisting of one Country Program Coordinator will be established in each of the four target countries. The Coordinator will be embedded into the RRVCP management unit in each of the countries. The RRVCP staff, particularly procurement, finance and M&E officers will support the EWASME Program implementation. The EWASME Country Program Coordinators will manage the day-to-day activities of the Program. They

⁴ The assessment will be based on FAO's Legal Assessment Tool (LAT) for gender-equitable land tenure.

will be responsible of overall program implementation and supervision at the country level and will directly report to the IsDB.

Program Launch and Learning Workshops

39. Country level consultations with the relevant stakeholders and the Executing Agencies of the RRVCP will take place in each country to (i) inform of the EWASME Program, We-fi funding and its implementation and operational modalities, (ii) further identify suitable commercial banks and/or MFIs for the Program; and (iii) agree of some basic terms and conditions of leveraging of the RRVCP PMU/EA structure and facilities.
40. The IsDB through its Regional Hubs and HQ in Jeddah will ensure facilitation of regional learning, exchange of experiences (including enabling policies such as land tenure for women) and documentation of lessons learnt stemming from the Program.

Results- based Mechanism

41. The Program will be monitored through the dedicated results framework that is informed and set within the broader monitoring and evaluation process of the RRVCP. Being anchored in the RRVCP, the Program will capitalize on the partnerships, innovation and sustainability stemming from the RRVCP.
42. ICT application (especially mobile phones) will be deployed to increase access of WVSEs and WSMEs to markets.
43. The Program will work with financial institutions (the commercial banks and MFIs) to develop appropriate financial products for WSME and WVSEs and screening tools to capture sex disaggregated data. They will also be sensitized on the importance of reaching out to WSMEs and WVSEs. Finally, all the beneficiaries will be geo-referenced and the outcomes and impacts the Program is generating linked digitally to the RRVCP dashboard, and to the extent possible, in real time.
44. Several partners will be engaged; some key ones, and relatively new ones, are: a) service providers that will build the capacities of WVSEs and WSMEs to develop strong business models, and b) financial institutions (banks and MFIs) – they will be engaged in ways that allow their appetite to fund the WSMEs and WVSEs during and long after the Program ends.

E. Program Beneficiaries:

45. The direct beneficiaries of the Program are 1,000 WSMEs and WVSEs, who are engaged in the rice value chain in the four target countries: Guinea, Niger, Senegal and Sierra Leone.

46. For the purpose of the Program activities and implementation, the following IFC definitions are adopted for the beneficiary categories. Definition of Women-Owned/Women-Led SMEs

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

Definition of Small and Medium Enterprise:

Financing: Financing between USD 5,000 and USD 1 million (USD 2 million in selected large economies)

Employees: Between 5 and 300 employees

Sales: Sales between USD 50,000 and USD 15 million

Assets: Assets between USD 50,000 and USD 15 million

Definition of Very Small Enterprises (VSEs):

Employees: Between 5 – 10 employees

Financing: Receiving loans between USD 5,000 and USD 10,000.

F. Rationale for Use of We-Fi Financing

47. The Program will address most of the obstacles and constraints identified in each of the countries. Key factors impeding women's participation in similar programs in the past were, among others, low capacity in SME management and limited access to finance for the WSMEs and WVSEs, compounded by limited market linkages to enable them to move up the value chain. Conversely, there are enormous opportunities for addressing these challenges through leveraging existing investments in the four countries and its development partners (including IsDB) are making through the RRVCP. The RRVCP commits to several interventions that are gender-focused and that will strengthen women's position in the Program. Key among those interventions are as follows: -

- Strengthening farmers associations and cooperatives – most members are women.
- Improving farmers production and productivity – most of the producers are women. They stand to benefit from the significant investments to increase access to improved seeds, irrigation, mechanization and extension services.
- Enhancing linkages to markets – most of the small-scale rice processing, including parboiling are women-led. Significant investments will be made to improve this through training and linkage with rice millers and processors that will improve both the quality and improve market outlets.
- Bringing on board innovations from other countries – the RRVCP has a Reverse Linkage component that will help transfer innovations and best

practices from other countries, both members and non-member countries of the bank. Funding going to this will benefit the EWASME.

- EWASME will benefit from the investments to be made in rice value chain development infrastructure under the RRVCP, such as thresher, millers, parboilers, dryers among others. While WSMEs will be main users of the equipment and facilities, they will also be accessed by other actors in the value chain process. For instance, the rice threshers and paved drying floors will be used by both WSMEs and other members in the community when not in use.

48. EWASME's dedicated interventions on women SMEs and VSEs will anchor on these investments but deepen the interventions taking into consideration the specific challenges they face. EWASME will enhance and enable the WSMEs and WVSEs to adequately utilize the opportunity in order to upgrade in the rice value chain.

49. The Program will contribute to easing the cost of borrowing from commercial banks and MFIs (often over 20% per annum and thus prohibitive for most WSMEs and WVSEs) through the provision of matching grants. Similarly, in light of the socio-economic impacts of COVID 19 that affects vulnerable sectors of the population most, and the disruption the pandemic has had on supply chains, particularly on food supply, the Program will also contribute to improving the overall effectiveness of the rice value chain by supporting a key actors in it, WSMEs and WVSEs, hence strengthening the resilience to future shocks.

IV. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

50. The EWASME Program will leverage on the existing implementation arrangements of the IsDB-funded RRVCP. However, it will have a fully dedicated Country Program Coordinator in each of the four countries. The Country Program Coordinators will ensure the resources allocated for each country under the Program are utilized efficiently. The use of the resources will be evaluated by an Independent Financial Audit Firm that will report to We-Fi through the IP.

51. The Country Program Coordinators will be responsible of coordinating the Program's activities and supervising the implementation of the grant matching and value chain development components, mobilizing the activities of the WSMEs and WVSEs as groups and/ individuals, ensuring that the beneficiaries receive the needed capacity development support, in addition to engagement with FIs.

52. The EWASME Program is closely linked with RRVCP and it will provide dedicated support to issues facing WSMEs and WVSEs that are not adequately covered in the RRVCP. However, to prevent double counting of beneficiaries in both

programs, the potential beneficiaries for the EWASME Program will be validated with the PMU of the RRVCP and through the digital platform that will be provided by RRVCP.

53. For the purpose of accountability, IsDB will hire a certified, reputed audit firm in each country to undertake the annual financial audit of the Program and submit reports through the IP to We-Fi. The auditing firm will check the program's financial and other related statements (accounts and budget) as well as the financial controls of the Program. In addition to this, given that a Special Account arrangement is envisioned for the Program, the auditor will also review and clear each replenishment withdrawal application submitted by the PMU.
54. Financial institutions with the relevant experience and sound financial and operational capacity will be engaged in the Program. Several have already been identified in the RRVCP; others will be done in due course. The Program's management will make special arrangements with the financial institutions and MFIs on how the funds will be implemented and provided to the target beneficiaries based on purely financial terms and conditions favorable to both the banks and the intended beneficiaries. The grants will be disbursed directly to the beneficiary SMEs and VSEs. The Country Program Coordinators will process the applications, seek the technical input of the financial institutions. They will supervise implementation and ensure accountability. The previously mentioned FIs will also be approached and assisted to develop/upgrade its reporting and screening tools as well as its financial products and outreach programs to be more gender responsive. The linkage with FIs is important for the Program's sustainability after its funding ends.
55. The FIs will serve as the custodians of the matching grants (against services fees estimated at 1% for processing). The grant-matching schemes of the Program will be deployed by the IP in coordination with Execution Agency through dedicated program accounts per eligible women led/owned VSME/MSME. For each approved application, a separate account will be created under close supervision from the FIs.
56. The Monitoring and Evaluation (M&E) framework of the RRVCP has identified, through stakeholders and expert's consultations, key activities and mapped the indicators to tangible outcomes and impacts that will be monitored closely by the Country Program Coordinator at the country level. The M&E framework has also a communication dashboard that reports regularly 'Must Have' outcomes to key stakeholders at both country and regional level. They include indicators of relevance to the four components of the EWASME Program. The Program indicators and targets will be incorporated to the RRVCP's Master M&E framework during the Program's launch workshops in the four countries.

57. The Country Program Coordinators, the RRVCP Executing Agencies and the relevant partners will be sensitized during the project startup workshops on the EWASME Program results framework and its indicators and targets and its distinction from the RRVCP targets. The M&E officers of the RRVCP will monitor the EWASME targets and report it separately. In addition, the Program Operation Manual will address this distinction. The IsDB Regional Hubs, who are responsible for supervising the implementation of the RRVCP & EWASME in the four countries will be sensitized to observe the peculiarities and indicators of the EWASME. The EWASME results framework will be integrated into the IsDB automated Operation Management System (OMS), which is used by the operation teams to run the project processes.

B. Role and Track Record of the IP and Other Partners

58. The IsDB has a proven track-record in the development and promotion of women's entrepreneurship and innovative sustainable solutions to increase women's access to economic opportunities. The IsDB has a long history of engagement with diverse stakeholders, including governments, private sector, civil society, the banking sector, regional economic institutions and most of all the program clients themselves.

59. The IsDB received USD 32.2 million grant in the first round of the We-Fi funding for the BRAVE Women program. The program includes matching grant and capacity building activities for women MSMEs in Yemen, Nigeria and Burkina Faso. The program aims to enhance the resilience of women-owned and led SMEs in fragile contexts, recognizing their untapped economic potential and to increase business growth opportunities for women entrepreneurs by boosting investment and providing capacity-building support. It plans to reach around 1,500 women-led enterprises to be established and successful, and to create 2,400 jobs by women-led or owned enterprises by 2023.

60. IsDB/ICD have developed and implemented a USD 6 million program, BRAVE program, which includes matching grant and capacity building activities for 500 firms in selected value chains in Yemen over the period 2016-2019. The grant was financed through the MENA Transition Fund and is executed through a tri-partite structure between the ICD, SMEPS (SFD Private Sector arm) and 4 local partner Banks (TIIB, SIB, KMIB and NBY) with support from the advisory committee composed from related Ministries and private sector leaders. Five hundred firms are participating in the scheme, including 65 women owned/led firms. The Program was concluded successfully despite the difficult security situation and persistent lack of electric power. Additional funding for national scaling is underway.

61. In Senegal, the IsDB has implemented the Women Entrepreneurship Development and Youth Employment Support (WEDYES) program for a total amount of USD

14.5 million. The program aimed to improve the women's entrepreneurship potential in key economic sectors. The program has provided capacity building and training services to female entrepreneurs, the financial intermediaries as well as additional business financing through partner financial intermediaries. It further supported business opportunities and networking with Senegalese private sector as well as providing basic services, small infrastructure development and procuring appropriate technologies.

62. In addition, the IsDB/ICD has contributed to several technical assistance initiatives supporting private sector development and promoting female business owners as well as youth employment. The support ranges from industrial policy, industrial zones development and capacity building programs with engagements in Djibouti, Mauritania, Mozambique, Sierra Leone and Yemen among others. IsDB/ ICD has mobilized about USD 10 million of funding from various bilateral (Turkish Cooperation and Development Agency) and multilateral sources (Caribbean Development Bank) to address private sector development issues in its member countries.

C. Theory of Change and Results Chain

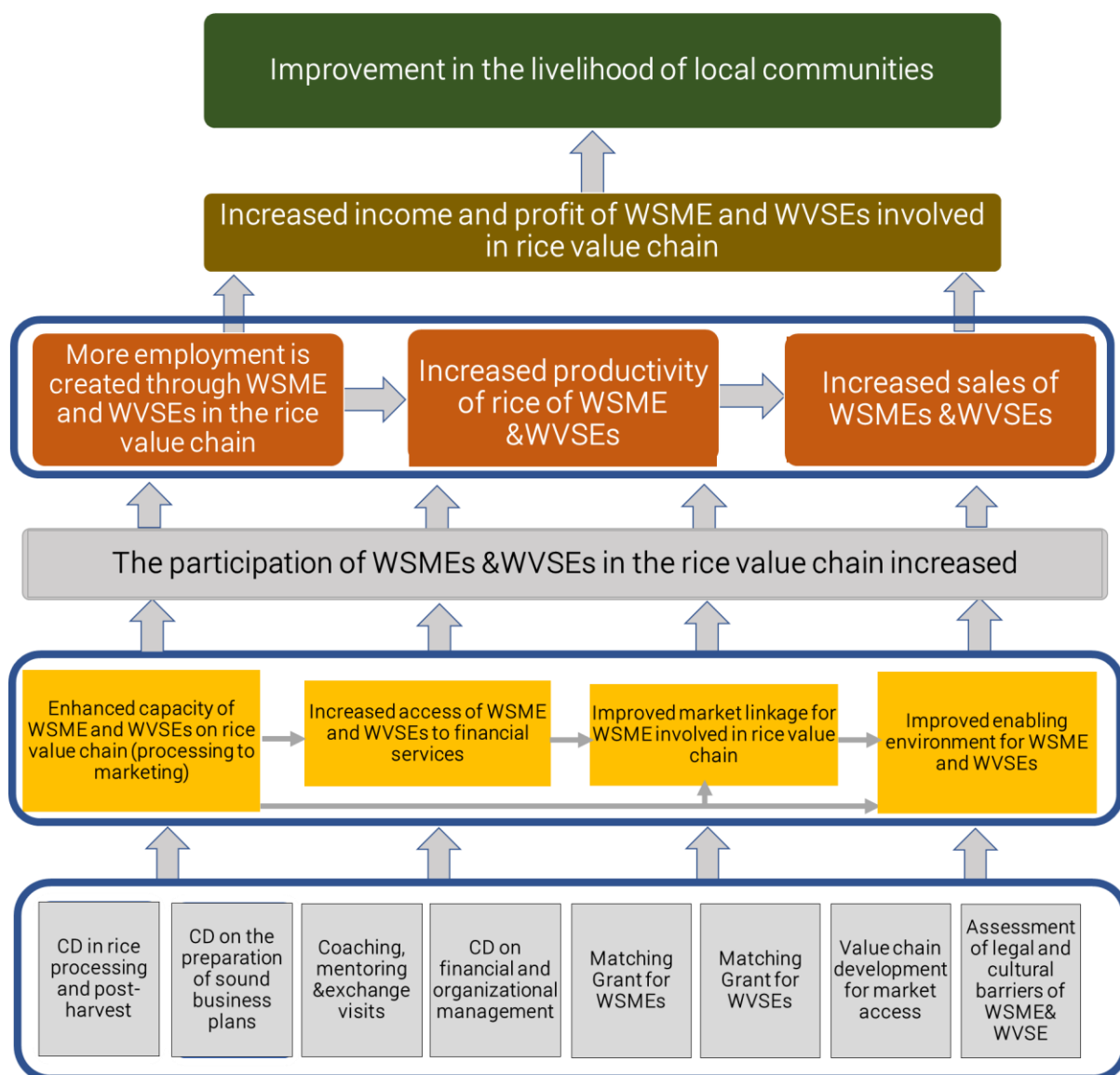
63. The Theory of Change (ToC) of the Program (illustrated below) underscores the importance of addressing the four core and interlinked problems (limited access to financing, limited technical and business skills, and poor links to markets, and lack of enabling policies particularly land rights for women) in order to empower WSMEs and WVSEs through effective engagement in sustainable rice value chains in West Africa.

D. The Monitoring & Evaluation Plan and Timeline

64. The M&E Framework has two components: (i) the Results Matrix, (ii) the Monitoring and Evaluation System.

65. Based on this ToC, the results-based logical framework (Annex 1) captures the development objectives and intermediate results of the EWASME Program. It follows a classic results-based management (RBM) approach in identifying the causal chain from input to output to outcome and impact.

66. On a quarterly basis, each PMU will develop a monitoring report to highlight the key results and issues. The Program's M&E officers will have the responsibility to develop a comprehensive Monitoring System with processes, responsibilities and tools to ensure regular data collection, analysis and dissemination in each target country. The IsDB's through its Regional Hubs and HQ in Jeddah will oversee this task. Informal/internal assessments will be undertaken on an annual basis, for the purpose of reviewing progress against baselines and benchmarks and any changes in operational context that might require an adjustment to the Program.



67. The Evaluation System: The evaluation of the Program will be undertaken in two phases: A mid-term review planned 24 months after the effective start date of the program and the final evaluation - one month after the closing of the Program activities. The IP will recruit a consultant to undertake both evaluations in collaboration with PMUs to provide an independent assessment of the Program’s performance.

The table below summarizes the key deliverables of the M&E framework:

Report Type	Due Date	Overall Focus
Quarterly Monitoring report	Quarterly	Indicators status Issues
Mid-term review	24 months after the beginning of the project	OECD DAC Evaluation Criteria Lessons learned to improve phase 2
Final Independent evaluation	1 month after the completion of the project activities	OECD DAC Evaluation Criteria Lessons learned for scaling up

Milestones	Expected Dates
Start of implementation	1 April 2021
Mid-term review	1 April 2023
Program/project closing	31 March 2026
End/completion evaluation	31 May 2026

V. KEY RISKS IDENTIFIED AND MITIGATION MEASURES

The identified risks and mitigation measures are in Annex 4

A. Risks Identified and Proposed Action Plans

68. During Program kick off and implementation, detailed due diligence will be undertaken in each country to further enhance the risk management framework of this Program. At this stage, the EWASME is in line with the approved RRVCP of the IsDB. The EWASME activities compliment and expand on the activities of the RRVCP and will utilize the partners engaged in it.

69. In addition to the risk and mitigation measures outlined below, the IP will adhere to its Environmental and Social Safeguard Policy (ESSP) approved in 2020.⁵ In this regard, the IsDB seeks to ensure that the projects it finances are environmentally and socially sustainable, thereby assisting its member countries in managing their physical and human resources for the universal common good. Accordingly, IsDB ESS is considered as an important tool for enhanced development effectiveness, with an overarching goal to facilitate achievement of the environment and social soundness and sustainability of the projects it supports and implements. On the social front, the Program will provide safeguards to ensure marginalized communities, for one reason or another, are included in the Program. It will also put measures to safeguard the Program from elites capture (including both men and women) that is typical in many donor funded programs.

Risk 1: Sustainability and Programitization

- In a situation where matching grants are used only to fund operating costs for (sub) programs lasting not more than 2 or 3 years, there exists a significant risk of compromising the institutional and financial sustainability of the entire program after donor funding reaches its end. There is a possibility that the ability of the WSMEs and WVSEs to optimally utilize the grant and sustain the business to cover its operation cost and generate profits. This risk is possible due to many exogenous factors that can affect the financial sustainability of the targeted businesses including the price fluctuation in local markets, low rice production as a result of

⁵ Brief on IsDB ESSP provided in Annex 6

climate change, distraction of the business owners by other social issues related to health, education, water, etc.

- The Program components namely matching grant, value chain linkages, enabling environment, capacity development are ways to ensure the Program's sustainability after its closure. Through these activities the Program will help to strengthen the capacity of WVSE and WSMEs to engage in the rice value chain thereby contributing to stronger enterprises with greater potential and access to resources for sustainability and future growth. Moreover, strengthening the capacity of the financial sector to serve women by implementing new screening procedures or new financial products for WSMEs/WVSEs will make the Program remain sustainable.
- In similar fashion to the above, the risk of programization and the accompanying failure to build capacity can be significant in grant schemes. This is especially the case in those instances where matching grants are used as a 'stopgap measure' to gain resources that otherwise could not be obtained via a more conventional financial channel.

Mitigation:

- In order to maximize the long-term sustainability of the EWASME Program and extend its lifetime beyond the program's defined lifecycle, the funding will prioritize investments that target long term capital rather than funding for operating costs. Furthermore, grant recipients will be expected to make their own contribution of between 20% to 50%. This insures buy-in from the beneficiary as well as a high degree of commitment to the effective use of the funding for its intended purpose for the long term.
- The inclusion of a broad representative set of stakeholders and regular monitoring on the ground is also meant to ensure that funding will not assume an *ad hoc* nature but rather, seek a long-term impact and self-financial sustainability of the recipients. By the same token, a broad range of stakeholder representation will also serve in preventing any misalignment between the program and national priorities.
- The technical support and the capacity development component designed under this Program are intended to address and mitigate the business sustainability risk through capacitating the WSMEs to prepare solid business plans that investigate the business conditions carefully and plan for the different financial sustainability risks. It will also train the beneficiaries on the best practices to run the business and manage the associated risks properly.

Risk 2: Program Oversight and Synergies

- Since the Program is focused on one segment (WSMEs and WVSEs) within a larger regional program (RRVCP), dedicated staff responsible for program implementation who can work in coordination with the regional program is essential.

Mitigation:

- A fully dedicated Country Program Coordinator will be embedded in the RRVCP PMU established in each of the four countries. The Program will be coordinated at the regional level by the IsDB Regional Hubs and the HQ in Jeddah.
- For efficiency and coordination, The EWASME Program will leverage on the existing implementation arrangements put in place for the IsDB-funded RRVCP as well as its national and regional steering committees.
- Having the Coordinators of EWASME housed under the PMU of the RRVCP to enable it to leverage on the knowledge, experiences, skills and all relevant support of RRVCP PMU.

Risk 3: Participation, Political Buy-in and Coordination

- Limited engagement of stakeholders could hinder the effective implementation of the Program and achievement of its objectives. Not having enough political buy-in would impact responsiveness and openness of the Program.

Mitigation:

- With the purpose of minimizing political risk thus guaranteeing broad (political) support for the EWASME Program and maximizing efficient coordination at all concerned levels, the Program will utilize the RRVCP steering committees at the national and regional level.
- Prior to the Program's implementation, a startup workshop will be organized (online where the Covid-19 restrictions prevail) to undertake a detailed due diligence in each country to further review and enhance the implementation and operational modalities and risk management framework of the Program.

Risk 4: Fiduciary Risk

- The Program will undergo procurement activities and financial transactions which might entail moderate type of risk that normally associates with the project activities and processes. The agreed IP's procurement and financial management guideless of the RRVCP will be also applied for the EWASME Program.
- When operating in rural communities, the degree of government oversight and control is relatively limited, thus rendering potential for fraud and the misuse of funds.

Mitigation:

- IsDB has a good set of procurement and financial management guidelines developed according to best international practices. IsDB manages the

procurement and financial aspects of its portfolio through adequate resources and competent system.

- The Program will deploy funds on a granular basis whereby each beneficiary of the Program has a dedicated sub-account that captures all fund flows in and out of the approved budget. Using bank account movements collected in each bank, the IsDB would be able to consolidate regularly financial data at different levels.

Other Financial Control measures will include:

- Distributed fund flows and allocation of fund management risks between various parties in line with their capabilities and focus.
- Rigorous selection and qualification of eligible WSMEs and WVSEs with closer geographical reach.
- Open and transparent review of business plans, budgets and grants.
- 2-3 supervision missions per year on each supported program including random visits by the Agriculture Advisors / Program Officers from IsDB Headquarters / Regional Hubs to ensure proper use of assets.

Risk 5: Environment and Climate Change Risk

- The Program being focused on WSMEs engaged in the rice value chain makes it at risk of some environmental and climate related risks, such as burning of rice straws practiced during harvest season and other related risks.

Mitigation:

The Program will adhere to the RRVCP which promotes sustainable and climate-smart production system that increases with time productivity and resilience while decreasing deforestation and the encroachment of agriculture into natural ecosystems agriculture. These measures are encapsulated in IsDB's ESS Policy that will be deployed to mitigate both environmental and social risks associated with the Program. As part of the capacity building, there will be sessions on how to sustainably manage rice straw, either as animal feed or incorporated into the soil.

Other Risks:

- The outbreak of COVID-19 pandemic is expected to have effects on off farm labor and the distribution and supply chain along with increased food insecurity, which would have serious effects on WSMEs and WVSEs in the rice value chain.

Mitigation:

- The Program will have sustainable impact to contribute to the food security of its target countries by strengthening the local rice value chain, thereby helping to make the market more resilient and countries self-sufficient.
- The Program will develop virtual options and platforms to facilitate training, communication and mentoring activities for the WSMEs and WVSEs.
- The Program will be launched, and a start-up workshop will be conducted during which the Country Program Coordinators and relevant Line Ministries and key stakeholders will be thoroughly oriented on how to ensure that disbursement can be expedited despite COVID-19 pandemic. In order to FastTrack disbursement, a dedicated special account will be opened in each country in accordance with the Bank's "Guidelines for Opening a Special Account. The maximum amount to be deposited in the Special Account will not be more than USD 500,000. The replenishment of the special account and other matters will be in accordance with the guidelines for opening a special account. On quarterly basis, there will be a revised action plan on the disbursement from the special account to meet the reality on ground.

VI. ANNEXES

Annex 1: Results Framework of the EWASME Program

Objectives	Outcomes	Outputs	Facility Result Indicators ⁶	Unit of Measure	Baseline	Cumulative Target Value				
						Year 1	Year 2	Year 3	Year 4	Year 5
Address the financial constraints faced by women-owned/ led small and medium enterprises	Improved access to finance	Mobilization of funding from commercial institutions and IFIs	We-Fi Indicator 2: 6.75 million grant matching provided to WSMEs and WVSEs ⁷	USD Million	0	0.5	2.5	4	6.75	6.75
			IsDB Indicator: 1,000 (WSMEs and WVSEs) will have access to the matching grant.	No	0	225	510	765	1000	1000
		Strengthened capacity of the financial sector to serve women	We-Fi Indicator 3. Number of financial service providers that have updated or implemented new screening procedures or new financial products for WSMEs	No	0	1	3	5	8	8
Address non-financial constraints faced by women-owned/led small and medium firms	Reduced non-financial barriers faced by women-owned/led SMEs	Strengthened capacity of public and private sector institutions to serve women-owned/led SMEs	We-Fi Indicator 5: Number of institutions supported by We-Fi that have updated or put in place non-financial products/support services for women owned/led SMEs	No	0	1	2	4	6	8
	Improved enabling environment	Reduce gender biases in laws and policies	IsDB Indicator: Number of legal and regulatory measures identified that will remove constraints and support women's entrepreneurship	No	0	0	1	2	3	4

⁶ qualitative indicators could be observed in the living conditions around the targeted rural women in the i.e. housing standards, furniture, child nutrition, hygiene conditions, water and sanitation etc.

⁷ 1,000 women-owned/led SMEs and WVSEs increase sales profits. The indicator has been designed to build gradual revenue increase based on the actual ground situation. annual returns on investment (ROI) in rural business in the targeted countries is estimated around 10% based on current experiences. However, component A of the intervention will support the WSMEs to prepare sound and realistic business plans that study the investment opportunity and its associated risks. The component will also capacitate the WSME manage and run their business safely.

Increase in number and capacity of women-owned/led SMEs to access markets	More women-owned/led SMEs	Increase in number of women-owned/led SMEs in entrepreneurship support programs supported by We-Fi	We-Fi Indicator 10: 1,000 WSMEs and WVSEs trained in business development, governance and financial management	No	0	250	500	750	1000	1000
	Improvements in firm performance	Women-owned/led firms show increased sales profits	We-Fi Indicator 11: 1,000 WSMEs and WVSEs increase sales profits ⁸	%	0	0	10 %	25%	40%	50%
	SME contribution to economic growth	Jobs created by women-owned/led SMEs	We-Fi Indicator 12: 5,000 jobs created by WSMEs and WVSEs	No	0	200	600	1600	3000	5000
			IsDB Indicator: 20,00 indirect Jobs supported by WSMEs and WVSEs	No	0	500	5,500	10,000	15,000	20,000

⁸ It is expected that the sale profit (revenue) will increase every year by 10% resulting in total increase of 50% after 5 years. The targeted areas are very promising in terms of entrepreneurship and rice businesses. The RRVCP will increase the rice production and therefore will flourish the rural economy. the Rural communities are trading with neighboring centers and borne transportation cost. In addition, once businesses are well established within reachable distance for consumers/traders, this will increase the market opportunities and profits for WSMEs and will help avoiding the brokers layer. The actual profits will go to those who provide direct goods and services.

Annex 2: Explanation of Results Framework:

By the end of the 5 -year program implementation period, the EWASME Program will:

- Improve the engagement of women-owned/ led very small, small and medium enterprises within the rice value chain.
- Enhance their access to finance by allocating USD 6.75 million of matching grants to 1000 WSMEs and WVSEs to expand their businesses.
- Enhance capacity of 1000 women owned/led SMEs and VSEs to upgrade their business skills and increase their efficiency.
- Increase WSMEs and WVSEs' access to local and regional markets.
- Improve the enabling environment for WSME and WVSE to access finance and move up the value chain.

Collectively these actions will help to improve profits of the beneficiaries by 50%, thereby contributing to the economic growth of their communities by generating 5,000 direct jobs and 20,000 indirect jobs.

We-Fi Results Indicators:

Indicator 2: Amount of new financing given to women owned/led SMEs by We-Fi supported institutions

Indicator 3. Number of financial service providers that have updated or implemented a) new screening procedures or b) new financial products for WSMEs

Indicator 5: Number of institutions supported by We-Fi that have updated or put in place non-financial products/support services for women owned/led SMEs

Indicator 10: 1,000 WSMEs and WVSEs trained in business development, governance and financial management

Indicator 11: Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi served institutions that report increased sales or profits

Indicator 12: Number of direct jobs, disaggregated by sex, created by women-owned/led SMEs

The IsDB will work with the We-Fi Secretariat to harmonize the relevant custom indicators to facilitate uniformity and comparability of targets and results.

Annex 3: Cost and Financing Plan

Budget Categories	Guinea	Senegal	Sierra Leone	Niger	Total (USD)	Percent (%)
Investment Activities	1,568,025	1,772,550	1,363,500	2,113,425	6,817,500	61%
Advisory/Technical Assistance Activities	516,250	516,250	516,250	516,250	2,065,000	18%
Support Activities	395,000	395,000	395,000	395,000	1,580,000	14%
Administrative Fee	196,875	196,875	196,875	196,875	787,500	7%
Total	2,676,150	2,880,675	2,471,625	3,221,550	11,250,000	100%

Annex 4: EWASME Program/Project Risk

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Program/Project Design and Implementation Arrangements					
Sustainability: This is mainly related to the ability of the WSMEs to optimally utilize the grant and sustain the business to cover its operation cost and generate profits	Possible	Medium	Low	There are many internal and external factors that can affect the financial sustainability of the targeted businesses including the price fluctuation in local markets, low rice production as a result of climate change, distraction of the business owners by other social issues related to health, education, water, etc.	The technical support and the capacity development components designed under this intervention (EWASME) are intended to address and mitigate the business sustainability risk through capacitating the WSMEs to prepare solid business plans that investigate the business conditions carefully and plan for the different financial sustainability risks. It will also train the beneficiaries on the best practices to run the business and manage the associated risks properly
Program Oversight and Implementation	Unlikely	Substantial	Substantial	Since the Program is focused on one segment within a larger regional program not having dedicated staff responsible for program can significantly impact program implementation.	A fully dedicated Country Program Coordinator will be embedded in the RRVCP Project Management Unit (PMU) established in each of the four countries. IsDB staff at regional offices, Senegal and HQ in Jeddah will provide technical backstopping and oversight to the Country Program Coordinators on the

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
					Program's implementation and performance in the four target countries. This will coordinate well the investments of the two Programs and create strong synergy between them.
Political, Social and Governance Risks					
Political Buy-In and Coordination.	Unlikely	Low	Low	Limited engagement of stakeholders can hinder the effective implementation of the Program and achievement of its objectives. Not having enough political buy-in would impact responsiveness and openness of the Program	With the purpose of minimizing political risk, thus guaranteeing broad (political) support for the EWASME Program and maximizing efficient coordination at all concerned levels, the Program will utilize the RRVCP Steering Committees at the national and regional level. Prior to implementation, a startup workshop will be organized to undertake a detailed due diligence in each country to further review and enhance the implementation and operational modalities and risk management framework of the Program.
Fiduciary Risks					

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Procurement/Financial Disbursements	Possible	Low	Low	The Program will utilize the agreed procurement and financial management guideless of the RRVCP ⁹	IsDB has a good set of procurement and financial management guidelines developed according to best international practices. IsDB manage the procurement and financial aspects of the portfolios through adequate resources and competent system.
Oversight and control	Possible	Medium	Medium	The Program is focused in rural communities where government oversight and control is relatively limited thus rendering the potential for fraud and the misuse of funds substantial.	The Program will deploy funds on a granular basis whereby each beneficiary program has a dedicated sub-account that captures all fund flows in and out of the approved budget. The IsDB technical teams at Regional Offices, and at the HQ in Jeddah, will provide this oversight.
Environment and Social Safeguards/Standards					
Climate change effects on the rice value chain.	Likely	Substantial	Substantial	EWASME utilizes the environmental and social assessment undertaken by IsDB under the RRVCP	The Program will adhere to the RRVCP which promotes sustainable and climate-smart production system that increases time productivity and resilience

⁹ Guidelines for the Procurement of Consultant Services under IsDB Project Financing
Guidelines for the Procurement of Goods, Works and Related Services under IsDB Project Financing
Project Financial Management Policy
Disbursement Handbook

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
					while decreasing deforestation and the encroachment of agriculture into natural ecosystems agriculture.
Burning of rice straws practiced during harvest season causes air pollution and emission of greenhouse gases	Likely	Substantial	Substantial	EWASME utilizes the environmental and social assessment undertaken by IsDB under the RRVCP	As part of the capacity building, there will be sessions on how to sustainably manage rice straw, either as animal feed or incorporated into the soil.
Exclusion of vulnerable and hard to reach women entrepreneurs	Possible	Low	Low	There is a possibility that women including young women and the physically challenged are excluded or unaware of the program and beneficiaries are from a select elite group	The Country Program Coordinator in each country will proactively seek out women entrepreneurs that are typically by-passed by development projects and who have not benefitted from previous projects
Other Risks					
Impact of the COVID-19 Pandemic	Likely	Substantial	Substantial	It is anticipated that the pandemic will affect the on and off farm labor and the distribution and supply chain along with increased food insecurity.	The Program will have sustainable impact to contribute to the food security of the program countries by strengthening the local rice value chain, thereby helping to make the market more resilient and countries self-sufficient.

Annex 5: IsDB Regional Rice Value Chain Program (RRVCP)

Background Introduction.

1. In 2018, the IsDB received requests from ten sub-Saharan Africa member countries namely Benin, Burkina Faso, Cote D'Ivoire, The Gambia, Guinea, Mali, Niger, Senegal, Sierra Leone, and Sudan, to support the development of Rice Value Chain in their respective countries. As a result, the President of IsDB announced at the 43rd Annual Meeting of IsDB Board of Governors at Tunis in April 2018, that the Bank will support financing of a Regional Rice Value Chain Program (RRVCP) for the ten-countries over the period.
2. A number of technical partners are currently being engaged in the program implementation including Africa rice, International Rice Research Institute (IRRI), and the Sustainable Rice Program, Alliance for Green Revolution in Africa (AGRA), the Food and Agriculture Organization (FAO) of the United Nations, World Food Program (WFP), OCP (a Moroccan owned fertilizer company), Competitive African Rice Initiative (CARI) and Manobi (smallholder commercialization company based in West Africa).
3. The RRVCP, therefore, aims at assisting the 10 countries achieve their national rice production and commercialization strategies to enhance the self-sufficiency and reduce rice imports significantly. The overarching approach is one that takes a value chain where the private sector plays a key role with the governments and development partners providing the enabling environment required. *A key success factor is raising, in a sustainable manner, smallholder rice paddy yields to at least 3.0 ton/ha on average, up from the prevailing 1-2 ton/ha in most of the target countries.*
4. Extensive consultations with experts and stakeholders were conducted to determine critical entry points in the proposed value chain to ensure success. To this end, an Experts Convening was held at IsDB in May 2018 that brought key researchers and development experts in the rice sector from Africa and other parts of the world. The convening provided valuable insights that informed the design of additional consultation workshops with various stakeholders in Group 1 countries in July 2018. A consensus among the experts is that competitiveness of locally produced rice in Africa is generally low due to poor development of the value chains i.e., production, inefficient processing and marketing infrastructure, as well as weak market institutions. This is central to RRVCDP's *theory of change*, i.e., the beneficiary government's efforts can develop a sustainable rice value chains through strong private sector participation. The program will deploy the 3P principals that have been found to be successful in rice development programs elsewhere: *push-factor* (invest in yield-enhancing factors including improved seeds, fertilizer, and water

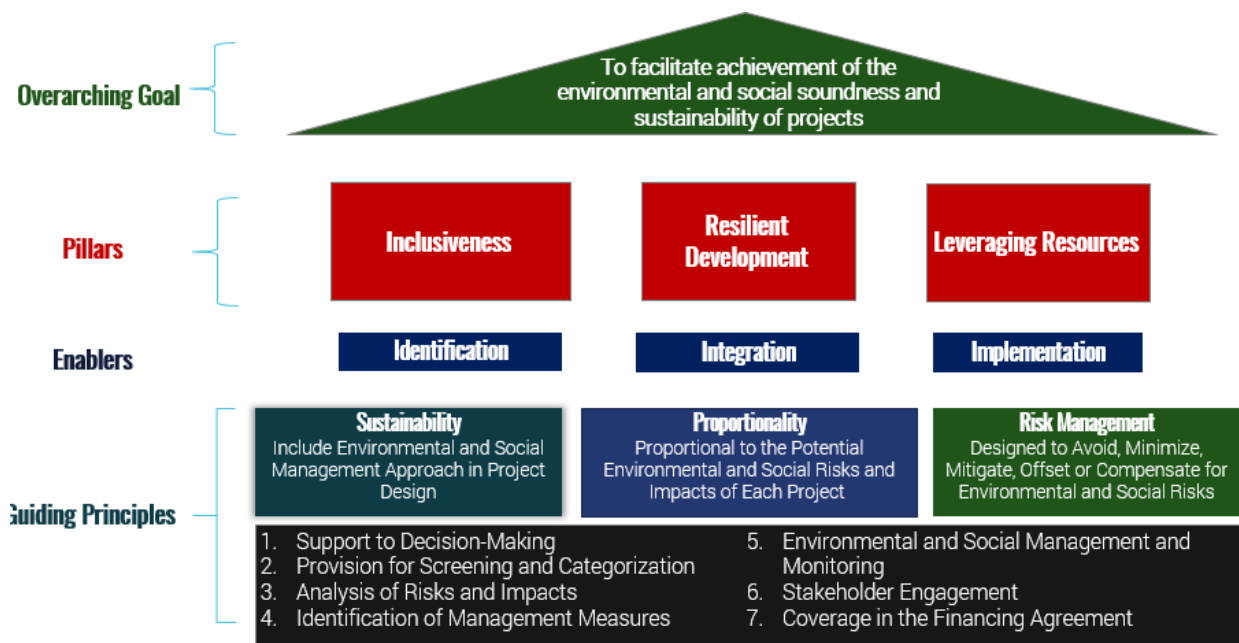
management), *pull factor* (engage effectively the private sector to develop links to markets through value chain approach), and *policy factor* (work with governments and its development partners to develop enabling policy environment for the value chain to thrive).

5. The RRVCP support four key components: (i) increasing productivity of the rice production systems; (ii) development of innovative postharvest technologies and marketing mechanisms, (iii) enabling institutional arrangements including private sector and access to finance.

Annex 6: Brief on IsDB Environmental and Social Safeguard Policy

IsDB's Environmental and Social Safeguard Policy (ESSP) is considered as an important tool for enhanced development effectiveness, with an overarching goal to facilitate achievement of the environmental and social soundness and sustainability of IsDB-financed projects. The ESSP demonstrates institutional values and commitment to:

- Address environmental and social risks and impacts in a structured operational framework across the project cycle,
- Ensure environmental and social soundness and sustainability of investments,
- Support integration of environmental and social aspects into the decision-making process, and
- Public consultation and disclosure of information.



Implementation

The IsDB's ESSP is implemented as per international best practices in the following three steps:

Step 1: Identification - Identification and assessment of potential environmental social risks and impacts of Projects proposed for financing by the IsDB. In this step the complete lending program will be subjected to ESS assessment and categorization.

Step 2: Integration - Integration of consideration of environmental and social risks and impacts of these Projects through incorporation of sound environmental and social management into Project design.

Step 3: Implementation - Effective implementation by beneficiaries of IsDB financing of sound environmental and social management plans to properly address the environmental and social risks and impacts of these Projects.

Categorization

In line with the principle of proportionality, and to identify the potential environmental and social risks and impacts of each Project, the IsDB screens and assigns one of the following four categories to each Project in its lending program:

Category A: A Project is categorized 'A' if it is likely to have significant adverse environmental and social impacts that are irreversible, cumulative, diverse or unprecedented, and whether temporary or permanent. The IsDB requires the Client to conduct a comprehensive environmental and social impact assessment (ESIA) for each Category 'A' Project.

Category B: A Project is categorized as 'B' if it has a limited number of potentially adverse environmental and social impacts; the impacts are not unprecedented; few if any of them are irreversible or cumulative; they are limited to the Project area; and can be successfully managed using good practice in an operational setting. The IsDB requires the Client to conduct an initial review of the environmental and social risks and impacts of the Project. On the basis of this review, the IsDB determines the appropriate instrument for the Client to assess these risks and impacts, on a case-by-case basis.

Category C: A Project is categorized 'C' if it is likely to have minimal or no adverse environmental or social impacts. The IsDB does not require an environmental and social assessment but does require the Client to prepare an analysis of the environmental and social implications of the Project.

Category FI: A Project is categorized 'FI' if the financing structure involves the provision of funds or a line of financing to or through a financial intermediary (FI) for the Project, whereby the IsDB delegates to the FI the decision-making on the use of the IsDB funds. The IsDB requires the FI Client to, based on the environmental and social risks and impacts, to screen and categorize all the sub-projects as Category A, B or C.

Guiding Principles

The overarching goal of the ESSP is an environmental and social management approach, proportional to the potential environmental and social risks and impacts of each Project, that is designed to avoid, minimize, mitigate, offset or compensate for environmental and social impacts of Projects, by supporting decision-making, screening and categorization, analysis of risks and impacts, identification of

management measures, environmental and social management and monitoring, stakeholder engagement and client engagement.

Procedures

The Bank Procedure elaborates measures designed to implement the IsDB's ESSP, and includes both: (i) environmental and social safeguard standards, setting out detailed standards to be complied with by the Client, depending on the nature of the Project, covering environmental and social assessment and management, and involuntary resettlement; and (ii) an environmental and social exclusion list, setting forth activities and items that are excluded from financing by the IsDB and that the Client is required to exclude from the Project.