

## 2020 IMPLEMENTATION PROGRESS REPORT WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI)

Reporting Period:

July 1<sup>st</sup>, 2019 – June 30<sup>th</sup>, 2020

**Name of Implementing Partner: Islamic Development Bank (IsDB)**

### I. SUMMARY PROJECT INFORMATION

● **PROJECT/PROGRAM NAME**

Business Resilience Assistance for Value-adding Enterprises (“BRAVE”) for Women “BRAVE Women Program”

● **PROJECT/PROGRAM TIMELINE**

Governing Committee (GC) Approval Date	April 25 <sup>th</sup> , 2018
Project Implementation Start Date	July 31 <sup>st</sup> , 2018 <sup>1</sup>
Mid Term Review Date (if planned)	June 30 <sup>th</sup> , 2021
Project Closing Date	June 30 <sup>th</sup> , 2023

● **GEOGRAPHIC LOCATION(S)**

- Yemen in five different provinces: Sanaa, Aden, Ibb, Hadramout and Taiz
- Nigeria in three different states: Edo, Gombe and Kano States
- Burkina Faso in four provinces: Ouagadougou, Bobo-Dioulasso, Dédougou and Ouahigouya

● **MOBILIZATION**

Amounts in USD

Sources of Financing		Approved Amount (from proposal)	Revised Amount (if applicable)	Committed Amount
We-Fi Financing Approved	(A)	32,240,000	-	23,075,749
Of which IDA		-	-	
Of which FCS		32,240,000	-	23,075,749
IP Contribution	(B)	4,000,000	-	1,120,000
Public sector contributions	(C)	-	-	-
Private sector financing directly mobilized	(D)	57,000,000	-	3,277,867
Additional funds mobilized [specify]	(E)	-	-	-
<b>Total Non-We-Fi Mobilized Funds</b>	<b>(F)= (B+C+D+E)</b>	<b>61,000,000</b>	-	<b>4,397,867</b>
<b>Total Program Size</b>	<b>(G)= (F+A)</b>	<b>93,240,000</b>	-	<b>27,473,616</b>

<sup>1</sup> The program starting date as per the approved project proposal triggers the internal processing of individual projects. Thus, each project has its own respective effectiveness and closing date as per the project summary sheet attached in annex VI

Leverage <sup>2</sup>	(F/A)	1.89x	-	0.19x
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• **WE-FI TEAM**

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<sup>2</sup> Total leverage amount for BRAVE Women should be captured at the end of the program in 2023 as per the results matrix. IsDB/ICD contribution is expressed as in-kind technical advisory/support.

## II. EXECUTIVE SUMMARY

### Overview of the Program objectives

The BRAVE Women program aims to enhance the resilience of women-owned and led Micro, Small, and Medium Enterprises (MSMEs) in fragile contexts, recognizing their untapped economic potential. It will increase business growth opportunities for women entrepreneurs by boosting investment and providing capacity-building support. The aim of the program is to reach at least 1,500 women MSMEs with specialized business training and help at least 1,200 of them to qualify for combined grant matching support and technical assistance across three countries namely Yemen, Nigeria and Burkina Faso. This is a multi-country program with potential for scaling up and replication to revive women owned/led MSMEs.

### Key achievements during the period and topline results for client engagements and women reached

Yemen: Following the successful start of the project in Q1 2019 and despite the very challenging security, political, economic, and social conditions, the project team proceeded with implementation and focused on the core components of the project namely training, capacity building and financing of women MSMEs through the matching grants. In parallel, the local Project Management Unit (PMU) increased its partnerships with other local project's stakeholders such as Chambers of Commerce (CoC) which played a vital role in organizing events for women MSMEs and facilitating their formalizations.

The unexpected COVID-19 outbreak has put additional pressure on Yemeni households resulting in increasing need and demand for women to engage in economic activities. This pandemic has also presented an opportunity for some women entrepreneurs to expand their business activities and access new markets previously untapped to address the need of essential items like clothes and face masks for medical workers that have risen as a result of the COVID-19. The project team also adapted its approach and provided more focus to building the resilience of women MSMEs that provide vital activities in priority areas such as health, food, and education sectors.

In terms of topline results, 1,220 women attended 30 workshops across Yemen and 1,473 registered for the program (which is above the target of 1,000). After going through the filtering process, 638 women entrepreneurs were considered eligible and 515 have been selected for the first batch of trainings and financing and have been trained in the five targeted provinces for the project. To date, 414 MSMEs have completed a viable Business Continuity Plan (BCP). After the grant judging panel selection, 342 MSMEs from the first batch have received financial support through the grant matching scheme and 336 of them completed their procurement plan to finance their Capex acquisition in various sectors with health, education and services as main ones given the COVID-19 context.

In parallel, the PMU organized five Business-to-business (B2B) events across the country in coordination with CoCs to enhance women MSMEs market access and linkages with the local stakeholders of various sectors. Those events were instrumental in advocating the project and changing women mindset. 269 women MSMEs and 150 market/value chain players attended those events and following it, more than 30 MSMEs signed agreements with other market players. This enhanced partnership between the PMU and CoCs facilitated the formal registration of 32 MSMEs selected in the BRAVE Women project and opened the discussion amongst government stakeholders regarding the challenges women businesses face in Yemen in order to find a common solution to ease their formalization and registration processes. In addition, more than 75 women MSMEs selected in BRAVE Women registered and became members of the CoCs with lowered rates for commercial record fees.

Furthermore, the project enhanced Women MSMEs' (WMSMEs) access to finance and interactions with the local banking industry with (a) WMSMEs getting additional financing with lower market price through the bridge finance product that was introduced and provided to 20 beneficiaries for a total of \$59,723 (b) 280 WMSMEs receiving financial literacy training from the banks to increase their bankability (c) 14 women were hired by one of the partner bank (Al-Kuraimi) specifically to serve WMSMEs and the project contributed in the bank portfolio increased of WMSMEs from 6% to 10%.

Finally, during Q3 2020, the PMU started the marketing campaign for the second batch of women MSMEs mainly through online channels given the pandemic restrictions, and more than 1000 registrations have been received despite the challenging environment.

As of Q2 2020, \$5.8m of We-Fi grant allocated to Yemen have been utilized accounting for 66% of overall Yemen's project budget. The grants allocated to WMSMEs reached \$3,493,043 representing 56% of the total grants budgeted for Yemen.

Nigeria: In January 2020, the planned capacity assessment exercise was undertaken of the Nigerian Bank of Industry (BOI), the project's designated Local Execution Agency (EA). It is worth noting that a preliminary Due Diligence of BOI in 2019 had already identified certain capacity gaps at the level of BOI and in particular, a lack of experience in the management and implementation of internationally funded donor interventions. This identified gap required the response of a Capacity Building trajectory that the January 2020 mission helped frame its terms of reference.

Following this capacity assessment exercise, in February-March 2020, the procurement process was launched (nationally and internationally) to recruit the Residential Technical Advisor (RTA) who shall support BOI in the creation of a viable and effective PMU and support its capacity to implement the BRAVE Women Nigeria project, on the basis of the previously identified capacity assessment conducted by the project-team. The overall process was then slowed down following the outbreak of the COVID-19 epidemic and BOI, with the support from the IsDB, has proceeded with the final selection and contracting of the RTA in July 2020. Since then the RTA started the first set of activities of the capacity building trajectory which includes developing an appropriate Financial Management Framework, a Project Procurement framework and M&E framework. In parallel to this track the recruitment of the Project Manager has started and its appointment is expected to take place in September 2020.

Both the Framework Agreement with the Nigerian's Ministry of Finance and the Implementation Agreement (Technical Assistance) with BOI have been signed on April 1<sup>st</sup> and 19<sup>th</sup>, respectively. The track for the setting up of the PMU and its capacity building has started in July 2020 and the project should be ready for implementation by Q4 2020 or early Q1 2021. To ensure sufficient learning, the capacity development from the RTA will be augmented by technical support from the Yemeni local EA (Small and Micro Enterprise Promotion Service "SMEPS") ahead of the commencement of the implementation activities.

Burkina Faso: the IsDB requested and received in December 2019 the non-objection from the We-Fi GC to reallocate the funding earmarked for Mali (\$9,164,251) to Burkina Faso. Following this non-objection, the IsDB received an official request from the Government of Burkina Faso to implement the BRAVE Women project and a fact-finding mission was undertaken in the country in January 2020. After a thorough selection process based on multiple criteria, the IsDB has been able to identify and select a competent local EA namely "*Maison de l'Entreprise du Burkina Faso (MEBF)*" (Burkina Faso Business Association) which has a track record of implementing international donor funded programs with MDBs and DFIs including the World Bank.

All the internal approvals at IsDB have been obtained and the project team is currently working on the operationalization phase in close collaboration with the local EA while in parallel the legal agreements are being finalized internally before sharing them with the Government (Framework Agreement) and local EA (Technical Assistance Agreement). Also, the IsDB/ICD team kicked off the discussions and preparations with the local EA regarding the specific evaluation methodology to be implemented in Burkina Faso (Randomized Control Trial "RCT").

Forward looking priorities and focus areas

Yemen: The upcoming period will focus on supporting eligible firms from the second batch, unleashing market access/networking among the women entrepreneurs and other market players and stimulating the financing appetite of the local banks. Also, the first batch of supported MSMEs should get the benefits of the program's support and the project team will capture stories.

For both Nigeria and Burkina Faso, a whole intensive year of project take off and training is expected:

Nigeria: The RTA will build the capacity of BOI by setting up and operationalizing the PMU. In parallel, BOI will finalize the procurement of the Project Manager (PM) first and then the remainder of the PMU who should join the PMU by Q4 2020.

Burkina Faso: The project implementation will begin with the initial steps of providing capacity building for the local EA in Q4 2020 in order to get a PMU fully ready to implement the BRAVE Women project. In parallel, both the Framework Agreement and Technical Assistance one will be shared with the Government of Burkina Faso and local EA, respectively.

The operationalization phases for both Nigeria and Burkina Faso shall benefit from a structured technical exchange process facilitated by IsDB/ICD to promote south-south cooperation between the SMEPS (PMU in Yemen) and BOI and MEBF.

Key early lessons so far:

- The formalization of women MSMEs in a fragile context shall be approached as a by-product of the donors' intervention and not a prerequisite;
- In fragile settings, even already established women entrepreneurs usually lack the minimum business knowledge/skills and this aspect should be addressed in the program design;
- The minimum ticket size of US\$ 5,000 poses a challenge to reach enough MSMEs (non-eligible or withdrawals) especially given the current COVID-19 context;
- A proper portfolio allocation method needs to be incorporated upfront for maximum equity and inclusion among all beneficiaries;
- Integrated and sizeable interventions like BRAVE Women could potentially play a catalyst role in breaking restricting social, cultural or security barriers associated with fragile contexts, and
- For situations where the local Execution Agency's capacity is deemed as relatively low, it might be advisable to integrate the capacity assessment/development in the program design.

**III. IMPLEMENTATION PROGRESS:** *The project is likely to achieve the majority of its major outcomes/outputs efficiently with moderate shortcomings*

● **KEY ACTIVITIES DURING THE REPORTING PERIOD.**

The program is rolled out through a series of country implementations based on the general description of BRAVE Women as an integrated support package. Each country project is expected to last three years with a possibility of running two cycles of application for the women MSMEs to maximize the number of beneficiaries and their fund absorption. Specific to Burkina Faso, the two-cycle approach will help in implementing the method of evaluation (Randomized Control Trial “RCT”) while accommodating ultimately the comparison group in the second wave of support.

The Yemen project was approved to start in Q1 2019. The reporting period focused on the core activities of the project including training, capacity building and financing through matching grants of women MSMEs.

The Nigeria project was approved in Q3 2019 with an initial starting date planned for Q1 2020 in order to prepare the local EA and ensure sufficient capacity building through the RTA. However, the project faced some delays due to an initial slow response rate by the local EA and COVID-19. The former has however significantly improved since then with the creation and appointment of a dedicated project-board and the capacity building trajectory started in Q3 of 2020 under the guidance of the RTA. The full implementation is planned to start in Q1 2021.

For Burkina Faso, the project was approved in Q3 2020 and is planned to start its implementation in Q1 2021 after signing the legal agreements and ensuring sufficient capacity building of the local EA (MEBF).

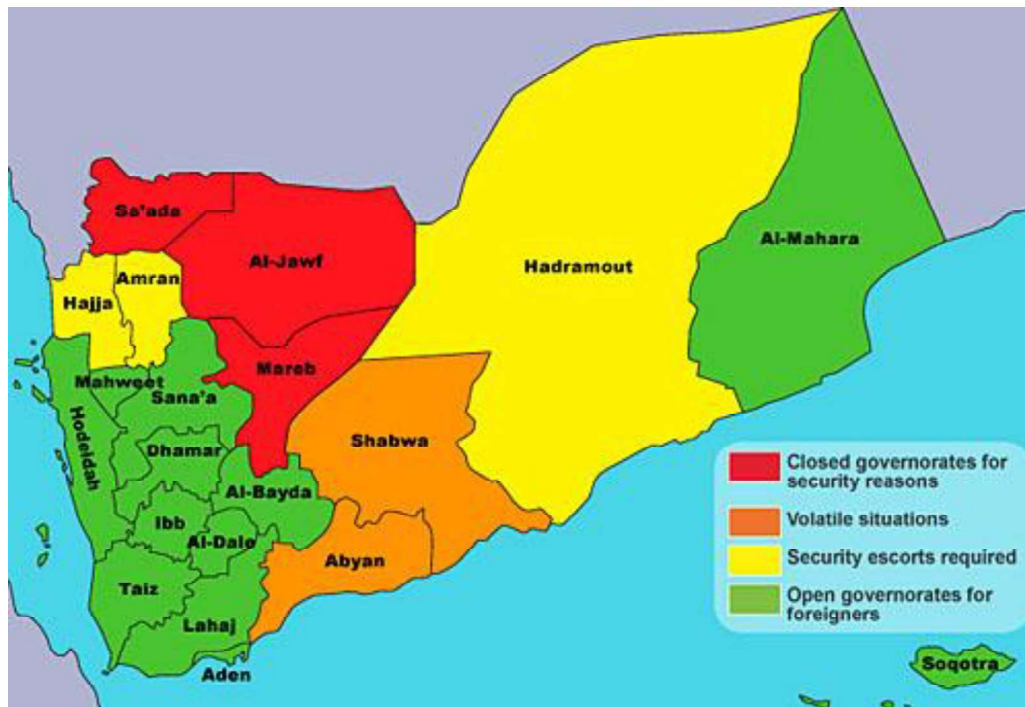
**BRAVE Women YEMEN IMPLEMENTATION PROGRESS**

**Activity 1: Business Resilience Capacity-Building**

The reporting period focused on the core activities of the project including training and capacity building of (i) women MSMEs for the first batch of beneficiaries (ii) consultants (Training of Trainers “ToT”) (iii) suppliers, and promotional campaigns and call for applications for the second batch. So far, the following activities have been completed:

**Batch 1:**

- 30 awareness workshops in the targeted areas where 1,220 women owned/led MSMEs attended to understand the project objectives and mechanism. Following those workshops and media campaigns, 1,473 applications were received.
- 638 out of 1,473 applications across the country were deemed as eligible. To confine this batch to the final target of 500 firms, overrepresented sectors and regions were subjected to a random selection process.
- ToT trainings for 31 Business Advisors (BA) to train and support women MSMEs in building and implementing their Business Continuity Plans (BCP).
- 515 women MSMEs received a Business Continuity Management (BCM) training in five of the targeted areas: Sanaa, Aden, Ibb, Hadramout and Taiz.



- 422 MSMEs submitted their BCPs, out of which 414 were approved by the Grant Judging Panel (GJP) to receive a financial grant.
- Those approved 414 women MSMEs (along with 33 BAs and 48 suppliers) received a training on the procurement procedures in order to strengthen their skills and knowledge of the standard procurement processes in the market.
- The table below summarizes the breakdown of MSMEs which received the BCM training per sector and governorate:

FINAL STRUCTURED PORTFOLIO FOR 1st batch 515 MSMEs								
Governorates/Sectors	Food	Education	Clothing	Service	Health	Others	TOTAL	%
<i>Sanaa</i>	11	42	34	31	38	2	<b>158</b>	31%
<i>Aden</i>	5	11	8	34	77		<b>135</b>	26%
<i>Ibb</i>	2	15	11	17	35		<b>80</b>	16%
<i>Hadramout</i>	4	10	10	18	23		<b>65</b>	13%
<i>Taiz</i>	4	26	10	15	22		<b>77</b>	15%
<b>TOTAL</b>	<b>26</b>	<b>104</b>	<b>73</b>	<b>115</b>	<b>195</b>	<b>2</b>	<b>515</b>	100%
<b>%</b>	5%	20%	14%	22%	38%	1%	100%	

Access to market for women MSMEs: The Business-to-business “B2B” events (see communication/storytelling section for photos and videos):

In December 2019, the PMU in coordination with Chambers of Commerce organized various B2B events across the country to enhance women MSMEs access and linkages with the local market stakeholders of various sectors. 269 women MSMEs and 150 market/value chain players attended this event to understand the structure and policies of the various sectors, promote their product and services, and



build/strengthen linkages with the market players. Following this event, more than 30 MSMEs signed agreements with other market players (with suppliers, service providers, etc.). The table below list the breakdown of participants per governorates:

Governorates	# of women SMEs	# of market/Value chain players
Sanaa	76	41
Aden	52	37
Taiz	55	28
Hadhrmout	37	24
Ibb	49	20
<b>TOTAL</b>	<b>269</b>	<b>150</b>

In parallel to those events, the PMU met with CoCs and other government stakeholders (the Ministry of Trade, for example) to support and facilitate the formal registration of 32 MSMEs selected in the BRAVE Women project.

Finally, the CoCs in Sanaa, Hadramout and Taiz also organized workshops attended by women businesses and several government officials (including the Ministry of trade, Ministry of health, tax and custom authorities, etc.) to discuss the challenges women businesses face including their formal registration, the legal and institutional environment of Yemen in Yemen, etc. in order to find a common solution to ease their formalization and registration processes. As a result, more than 75 women MSMEs selected in BRAVE Women registered and became members of the CoCs with lowered rates for commercial record fees.

#### Batch 2:

At the end of the reporting period, the PMU started its promotional campaigns and call for applications for the second batch with the main activities summarized below:

- Initial promotional campaigns for the second batch of beneficiaries via social medias and more than 300 field visits performed by PMU's consultants to women businesses in the five targeted provinces.
- Following those media campaigns and visits, 1,025 applications were received out of which 635 were eligible to receive trainings after going through the filtering process.
- Currently, the PMU is working with IsDB/ICD team in developing a new selection criterion for this second batch to achieve the maximum deployment rate of grants.

#### COVID-19 response for the component 1 (see also COVID-19 response section below):

- Update of the BCM curriculum training to address measures and risks associated with the pandemics: for that purpose, a 3 days training was performed by 38 Business Advisors (ToT) in each governorate of the project
- 19 schools and institutes were trained in Sanaa and Aden on online teaching to encourage the Yemeni education sector to continue by using technologies tools and therefore ensure that children can keep learning despite the pandemic context.

#### Activity 2: Business Recovery/Financial Support

This component covers the grants allocation to the women MSMEs. In Q3 2019, out of the 515 Women SMEs that received a BCM training, 414 completed their BCM and received the approval from the Grant Judging Panel (GJP) to receive a financial grant. However due to the negative economic and financial impact of the COVID-19, 72 women MSMEs in total withdrew from the project during Q4 2019-Q2 2020 due to their inability to contribute their share of grant matching (equity contribution) resulting in 342 able to pursue into the project and commit financially their share of grant matching. As of October 2020, out of the 342 MSMEs eligible for grants:



- 336 MSMEs completed their procurement plan including 299 fully and 37 partially (expecting to receive the remaining part in coming months) to finance their Capex acquisition in various sectors with health and education as main ones

- 6 did not start their procurement plan as they didn't commit their equity contribution yet (their grant matching part)

Most of the women MSMEs supported used this grant to develop and/or introduce new services or products to sustain their businesses given the existing fragility context which has deteriorated due to COVID-19 (see below COVID-19 and storytelling sections).

The total We-Fi contribution (grant matching) to support women MSMEs reached \$3,493,042 at the time of this report. The below table shows the grants disbursements per governorates and sectors:

Final portfolio for the 1 <sup>st</sup> batch of grant disbursements								
<i>Governorates/Sectors</i>	<i>Food</i>	<i>Education</i>	<i>Clothing</i>	<i>Services</i>	<i>Health</i>	<i>Other</i>	<i>TOTAL</i>	<i>%</i>
<b><i>Sanaa</i></b>	5	25	16	19	31		<b>96</b>	<b>28%</b>
<b><i>Aden</i></b>	3	6	5	21	57	1	<b>93</b>	<b>27%</b>
<b><i>Ibb</i></b>		12	9	4	25		<b>50</b>	<b>15%</b>
<b><i>Hadramout</i></b>	3	6	6	13	20		<b>48</b>	<b>14%</b>
<b><i>Taiz</i></b>	2	19	4	11	19		<b>55</b>	<b>16%</b>
<b><i>TOTAL</i></b>	<b>13</b>	<b>68</b>	<b>40</b>	<b>68</b>	<b>152</b>	<b>1</b>	<b>342</b>	<b>100%</b>
<b><i>%</i></b>	<b>4%</b>	<b>20%</b>	<b>12%</b>	<b>20%</b>	<b>44%</b>	<b>0.3%</b>	<b>100%</b>	

COVID-19 response for component 2 (see also COVID-19 response section below):

The outbreak of COVID-19 delayed the beneficiaries' procurement process and consultant/team follow-up in the field. The PMU therefore introduced flexibility measures in the procurement process including the extension of the procurement timeframe, accepting soft copies of documents, facilitating the procedures with partner banks, liaising on daily basis with women MSMEs through social media platforms (especially WhatsApp).

Financial Leverage and partner banks involvement into the project:

The total women MSMEs financial contribution (equity) reached \$3,218,144 including \$3,085,197 of grant matching (50% of procurement plan, the other 50% being funded by the We-Fi grant) and an additional self-investment of \$132,947.

The BRAVE Women project has also encouraged the Yemeni partner banks to provide new services and products for its women clients. In fact, the IsDB/ICD in coordination with the local Execution Agency and partner banks developed a Bridge Finance product specific to the project. The idea was to increase the number of women MSMEs into the project by allowing them to access to finance (loan) for part of their equity needed to be eligible for the BRAVE Women project. As of October 2020, 20 women MSMEs were able to get this bridge finance product for a total contribution from the banks of \$59,723. Some partner banks such as Al-Kuraimi took this opportunity to organize 8 awareness workshops across the country (Sana'a, Aden, Taiz) for around 280 women MSMEs in November 2019 to present their services and offers including this bridge finance product to encourage more women entrepreneurs to access to finance.

Furthermore, the partner banks reduced their mark-up by 19% for women – with an average mark-up rate for women MSMEs of 13% versus 16% before. Moreover, BRAVE Women project contributed to the hiring of 14 new women officers for Al-Kuraimi bank in August 2018 to support, advocate and serve women

clients. During the reporting period, BRAVE Women project contributed in Al-Kuraimi portfolio increased of WMSMEs from 6% to 10%.

### Activity 3: BRAVE IT Platform

This was a component developed during the previous BRAVE project with the aim of having an IT platform that will support the scale-up of BRAVE including BRAVE Phase 2 and BRAVE Women. So far, the activities under this component that have been completed under BRAVE Women include:

- Continuous development of the CRM system and Dashboard for BRAVE Women and design of new modules based on regular feedbacks from IsDB/ICD and PMU.
- Enhancement of the project dashboard into 4 tracks (a) general dashboard for partners and stakeholders (b) dashboard for partner banks (c) dashboard for financial administration (d) dashboard for Project manager to access and follow the project progress (still under development).
- Upgrade of the online registration form and CRM – for Batch 2.

### Activity 4: Project Management Unit (PMU)

The project leveraged on the existing capabilities and corporate infrastructure developed by the IsDB/ICD and the local Execution Agency during the previous BRAVE project. The PMU therefore was quickly established with an experienced team from the previous project including many women for key positions and roles. Given the wider geographic scope of BRAVE Women compared to the previous BRAVE project, the new PMU has a larger labor force. The accumulated experience and lessons learned by the core team were also instrumental in designing an effective outreach strategy despite the very challenging security and economic conditions in Yemen, in particular for women. During the reporting period, the following main activities have been performed by the PMU (not exhaustive):

- Organized and conducted trainings for the women MSMEs beneficiaries as well as consultants, who assist MSMEs in preparing their BCP.
- Participation and involvement in the Grant Judging Panel (GJP) of the project.
- Organization (with the CoCs) of (i) workshops to discuss the challenges faced by women MSMEs and ways to facilitate their administrative procedures (ii) B2B events for women MSMEs across the country.
- Field visits of women businesses to advocate the project as well as getting women's opinions and feedbacks.
- Trainings for the business advisors (ToT) on procurement procedures.
- Initiating and handling the Beneficiary Agreements signature process between the partner banks and beneficiaries.
- Grant procurement process for the selected women MSMEs.
- Marketing campaign, data collection and filtering of the second batch of women MSMEs.
- Procurement process of training providers for the second batch of women MSMEs.
- Follow-up and solve beneficiaries' complaints via SMEPS MEAL team (grievance system).

### **BRAVE Women NIGERIA IMPLEMENTATION PROGRESS:**

The project implementation faced some delays due to several factors including the COVID-19 pandemic. However, during the reporting period, the following key milestones were achieved:

- Due diligence mission performed by the IsDB/ICD team in January 2020 in BOI's headquarter in Lagos to identify the scope for the capacity building phase (areas of improvement) which will coincide with the set

up and operationalization of the PMU. This capacity assessment was the first milestone of the project and served later on as a base document for the RTA.

- Following this mission in Q1 2020, the procurement process for the project was launched (nationally and internationally) to recruit the RTA who will build the capacity of BOI and set up the PMU. The appointment of the RTA became effective in June 2020 after which the capacity building trajectory started (in July 2020). Simultaneously, the recruitment process of the project manager has started in Q2 2020 and is due for appointment in September 2020.

- Signature of the Framework Agreement with the Government of Nigeria in April 1<sup>st</sup>, 2020 to ensure political buy-in, alignment with national agenda and priorities.

- Signature of the Technical Assistance Agreement (TAA) with BOI in April 19<sup>th</sup>, 2020.

The project should start in Q1 2021 ensuring sufficient learning and capacity development from the RTA along with the Yemeni local EA (SMEPS) ahead of the commencement of the implementation activities.

### **BRAVE Women BURKINA FASO IMPLEMENTATION PROGRESS:**

Following the last annual We-Fi GC meeting held in October 2019 where the Mali reallocation was approved, the IsDB/ICD team selected Burkina Faso as replacing country. The We-Fi GC gave its non-objection in December 2019, and a fact-finding mission was performed right after in January 2020 where the project team met with several government' stakeholders, development agencies, banks, etc.

After a thorough selection process based on multiple criteria and from the early lessons learned in Yemen and Nigeria, the IsDB/ICD team selected the MEBF (or Burkina Faso Business Association) as local EA. It is a local Development Agency (recognized as Association of Public utility since 2010) established with the help of the World Bank in 2000 in order to support and develop the Private Sector actors in Burkina Faso mainly through trainings and capacity building. The institution is reporting to the Ministry of Trade and Industry and is therefore a state-owned corporation falling under the Government authority. In terms of track record with MDBs and DFIs, the MEBF has worked with the World Bank, IFC, the EU, the French Development Agency, Danida, AfDB, ITFC, Oxfam, to name a few and has already designed and implemented programs specific to women.

The period of February to August 2020 was used to obtain IsDB/ICD internal approvals. The project obtained clearance in August 2020, and the legal agreements including the Framework Agreement with the Ministry of Finance and the Implementation Agreement with MEBF will be processed towards signature by November 2020 (tentatively). The capacity development of MEBF will then be executed in parallel with the PMU set up for Q4 2020 in order to make it operational for the start of implementation by Q1 2021.

Moreover, the project team initiated a parallel peer consultation with representatives of other international development partners with active or completed MSME support programs in Burkina Faso. The objective was to benefit from their experience in terms of implementation arrangements and potential Execution Agency/partner banks for such a national program.

### **COVID-19 response for each country:**

In Yemen, the PMU took necessary measures to ensure continuity such as updating the BCM curriculum training to address measures and risks associated with the pandemics. For that purpose, 3 days training was performed by 38 business advisors (ToT) in each region of the project.

As for the women MSMEs, the project witnessed remarkable commitment and resilience of women entrepreneurs in response to the COVID-19. Some of them quickly adapted their activities by expanding their range of products or using online tools to conduct their business activities despite the context. Thus, the COVID-19 has been an opportunity for some women entrepreneurs to expand their business activities, access new markets and continue to provide necessary needs for the public. The project increased its

focus on the resilience of certain sectors with a higher portfolio allocation towards health, food, education and clothing sectors:

- 19 schools and institutes were trained in total by the PMU in Sanaa and Aden on online teaching to encourage the Yemeni education sector to continue by using technologies tools and therefore ensure that children can keep learning despite the pandemic context.
- The PMU supported women businesses in the clothing sector, especially the ones able to expand their activities towards the medical sector to produce masks, medical suits, etc. given the urgent need of medical clothes and lack of availability in the Yemeni market (see video of Jana shop in story section).

In Nigeria and Burkina Faso, whilst both projects are still at early stage, the IsDB/ICD project team coordinated closely with the respective local EA in order to prepare the mitigation strategies. Both local EA are ready to take necessary measures such as online trainings/mentorship to ensure continuity, extend the training curriculum to address measures and risks associated with the pandemics, etc.

Specific to Nigeria, whilst the procurement of the RTA was opened for international applications, the IsDB/ICD team opted for a recruitment of a local RTA already in the country in order to avoid any issues related to travel and the RTA ensured that its workplan reflected an adapted approach to the epidemic. Specific to the latter it ensured that various interviews and training sessions would be carried out remotely.

● **PLANS FOR THE NEXT YEAR.**

1- Key strategic focus areas and the planned activities/milestones and pipeline

In Yemen, despite the existing challenging and difficult conditions which have been worsened with the COVID-19, the collective efforts of the IsDB/ICD and the local Execution Agency (SMEPS) succeeded in generating a significant amount of grants for the first batch of beneficiaries selected (342).

The upcoming period will therefore focus on supporting more WMSMEs by selecting a second batch of eligible WMSMEs (target of 330) as result of the remaining grants from the first batch. In addition, the project team will continue to unleash the market access and networking among the entrepreneurs with other market actors and stimulate the financing appetite of the local banks.

Meanwhile, the implementations roadmap for Nigeria and Burkina Faso shall benefit from the above practices through a structured technical exchange process facilitated by IsDB/ICD to promote south-south cooperation between SMEPS and local EA of respective countries and subsequently other local partners.

Below is a timeline of the expected key milestones for the upcoming reporting period:

Program Milestones Q3 2020-Q2 2021	Expected Dates
<b><u>Yemen</u></b>	
Business Continuity Plan (BCP) training delivered for batch 2	Q3-Q4 2020
Grant judging panel approval completed for batch 2	Q4 2020
Allocation of funds for batch 2 beneficiaries to start the implementation of the BCP plans	Q4 2020-Q1 2021
Midline evaluation exercise	Q1 2021
<b><u>Nigeria</u></b>	
Baseline evaluation exercise	Q4 2020
Resident Technical Advisor (“RTA”) capacity development completed and PMU set up	Q4 2020
Marketing campaign completed	Q1 2021

Signature of the Grant Administration Agreements (GAAs) with the three partner banks selected	Q1 2021
Business Continuity Plan (BCP) training delivered for batch 1	Q2 2021
Grant judging panel approval completed for batch 1	Q2 2021
<b><u>Burkina Faso</u></b>	
MEBF's capacity assessment for the local Execution Agency (PMU) completed	Q4 2020
Baseline evaluation exercise	Q4 2020
PMU capacity building completed	Q4 2020
Preparation phase (operationalization)	Q1 2021
Marketing campaign completed	Q1 2021
Signature of the Grant Administration Agreements (GAAs) with the three partner banks selected	Q1 2021
Business Continuity Plan (BCP) training delivered for batch 1	Q2 2021

Alongside the above schedule, the IsDB/ICD and local Execution Agencies in each country will also attempt to capture stories, disseminate positive messages and draw lessons learned. Upward communication with the donors will be handled through the BRAVE Women dashboard. Public communication through various medias channels in each country will be actively managed by the local EAs and coordinated between the IsDB/ICD and We-Fi secretariat for international coverage.

## 2- Research/evaluations

- Nigeria: Coordinate the baseline study with the local Execution Agency (Q4 2020)
- Yemen: Coordinate the midline study with the local Execution Agency (Q4 2020)
- Burkina Faso: Kick-off meeting led by ICD and the selected independent evaluator with the Burkinabe counterpart for the RCT method (Q4 2020)<sup>3</sup>

## 3- Key events & communications expected

Given the current COVID-19 context which might last for an unknown period, IsDB/ICD as well as the local EAs in each country do not plan any specific event. However, the possibility of online events might be explored.

### • KEY CHALLENGES

- 1) Find a suitable local evaluation expert in Burkina Faso to liaise with the RCT expert (based outside Burkina Faso) in order to implement the RCT evaluation method in the country. This local evaluation expert in Burkina Faso should serve as the focal point and coordinator on the ground to assist the RCT expert. Initially the IsDB/ICD found a local evaluation expert based in Mali but due to the travel restrictions because of the COVID-19 coupled with the recent political changes in Mali, there might be an impossibility for him to travel to Burkina Faso. The project team is now closely liaising with the evaluation firm contracted for the program (Ghubril) and also the local EA (MEBF) in order to find as soon as possible an alternative candidate who will be able to be based in Burkina Faso.
- 2) Foreign Exchange (FX) issue:
  - a) when transferring the funds from the IP in US dollars to the local banks of each implementing countries. In fact, BRAVE Women includes in its design the need for the IP to open USD local banks accounts on its name in each implementing country. Some countries (depending on the

<sup>3</sup> The kickoff meeting for the RCT evaluation will be done remotely. Only the local evaluator based in Burkina Faso will seat with the MEBF (not the RCT expert).

local banking regulation) might not accept opening USD local accounts for foreign institutions and/or require the partner banks to disburse to suppliers in local currency. It means that the project will be exposed to currency risk.

- b) Fragile context usually faces currency fluctuation and/or depreciation therefore it will be extremely difficult for MSMEs to commit the minimum eligible ticket size of \$5k in local currency equivalent. Also, this will push the MSMEs to quote and procure their assets in local currency and not USD which is not in line with the project design.

The project team is currently closely working with local stakeholders to replicate the model put in place in Yemen (country facing similar FX issues). Also, possible flexibility in the project design might be allowed and/or hedging mechanism might be used depending on the local context.

- 3) Mobilization target of \$57 million (leverage) might be difficult to achieve given the negative impact of the COVID-19 outbreak on the banking industry. IsDB/ICD will try to deepen its partnership and cooperation with other DFIs.

- **LESSONS LEARNED:**

There are typical challenges associated with a fragile context and conflict affected settings that are not only negatively impacting the business environment for women MSMEs but also obstruct international donors funded initiatives. This necessitates a patient and flexible approach that forges careful alignment between the absorption capacities of the local Execution Agency and beneficiaries. The approach becomes even more challenging if the intention is to deliver such initiatives/programs via local grown agencies.

Below are the key challenges addressed in the program implementation and lessons learned so far:

1. **Challenge: Lack of legal business licenses and fragmented information for the eligible women MSMEs.** This is due to the high level of informality among women MSMEs which is a salient feature of the private sector in fragile/LDC states. This limits the ability to cover and reach the women entrepreneurs during the marketing campaign/call for proposal stage. Actually, in certain regions of Yemen, some regulatory measures inhibit the ability of women MSMEs to formalize especially in getting their work permit.

**Response:** In the case of Yemen, the PMU created an initial survey (on Google drive) for the targeted applicants and used several ways to share the link to reach more women. In addition, the project team worked closely with CoCs, local partner banks (TIIB, SIB, KMIB), business associations and other stakeholders to (i) facilitate and fasten the procedures of formalization for women MSMEs (ii) provide available information in their databases about the registered women MSMEs. Those stakeholders also played a vital role in attracting new women entrepreneurs and advocating for their services to formalize businesses.

**Lessons:** In normal business environment conditions, the formalization of MSMEs is critical to receive financial and non-financial support. However, for fragile settings, it shall be approached as a by-product of the donors' intervention and not a prerequisite.

2. **Challenge: Low response rate of women MSMEs at the first promotional stage of the project.** This is mainly due to the lack of exposure for such support programs for women businesses especially in the conflict situation. In addition, most women did not have experience and knowledge on registering online.

**Response:** In Yemen, the PMU worked extensively on advocating and raising awareness for BRAVE Women through several arranged workshops, social media campaigns, meetings with partners and stakeholders to help in advocacy as well as field visits. In addition, the PMU facilitated the registrations for the applicants through producing short educational videos showing the registration steps. Also, the PMU offered paper-based forms as an option, supported the women in completing their



registrations and updated them about the application status via the widely spread Short Messaging (SMS) and WhatsApp.

**Lessons:** *Offer different options (IT and paper-based registration) and supports to assist women MSMEs during the registration process.*

3. **Challenge: Ticket size of the matching grant.** Most women owned/led businesses rarely have the financial ability to match the minimum threshold of \$5,000, especially within a fragile context facing currency fluctuation or depreciation. In addition, women tend to be more risk averse than men and prioritize households' expenses over investments.

**Response:** IsDB/ICD and SMEPS worked extensively with the partner banks to develop a Bridge Finance solution to encourage and increase women's contribution to the project. For the rest of women not willing or not ready yet to secure the bridge finance solution, they were encouraged to join the second batch of application thus giving them more time to raise the required funding.

**Lessons:** *Reconsider the minimum threshold below US\$ 5,000 whenever possible to accommodate the lower category of MSMEs provided that the transaction cost (project's overhead) remains within acceptable range. Alternatively, collaborate with the local banks to offer bridge finance solutions to offset the funding gap encounter by the beneficiaries.*

4. **Challenge: Incidence of deception of some women applicants by non-authorized self-claimed brokers.** In Yemen, few cases were detected from some unknown individuals pretending to be working for SMEPS. Those individuals approached women entrepreneurs during the marketing campaign asking for commissions to secure their enrolment application and guarantee a receipt of the grant.

**Response:** Upon detecting this incident, SMEPS immediately broadcasted via social media an alert to the public and the database of applicants. In addition, the PMU adopted direct messaging (SMS) to all the registered women who applied alerting them to take caution and report to SMEPS's grievance system (including a hotline) such misconduct.

**Lessons:** *In conflict affecting settings, security conditions and enforcement of law may not be enough to deter such behavior while ensuring women safety. Therefore, a preventive measure is advised through proper awareness and direct transparent interaction with entrepreneurs (warning messages and direct confirmation of application via SMS).*

5. **Challenge: Portfolio allocation balance.** Against a limited overall target of beneficiaries by the project, larger urban centers and sectors are likely to form the bulk of applications which may result in less inclusive and diversified sectorial and geographical allocation. This was the case in Yemen for the health sector in the capital city of Sana'a. The PMU could have faced complains of exclusion in the absence of a clear and structured allocation mechanism.

**Response:** IsDB/ICD supported SMEPS to develop a portfolio allocation tool ensuring prioritization of underserved sectors and geographical area while capping overrepresented sectors and areas through a transparent random selection.

**Lessons:** *Depending on the overarching objective of the MSMEs support program, a proper portfolio allocation method needs to be incorporated upfront for maximum equity and inclusion among beneficiaries.*

6. **Challenge: Lack of market access for women.** Several factors contribute to limited access to market by many women MSMEs especially in fragile context. In Yemen for example those factors include cultural barriers, security conditions, informality and historical monopolistic behaviors among key actors in some value chains/sectors.

**Response:** In addition to the Value Chain support component, additional activities were conceived by SMEPS based on their previous experience to maximize MSMEs linkages. Several B2B events are planned where the MSMEs will connect and network with different market players, promote their business/services and identify new market opportunities.



*Lessons: Women MSMEs sector is more responsive to collaboration and networking among various actors. Integrated and sizeable intervention like BRAVE Women could potentially play a catalyst role in breaking any restricting cultural or security barriers.*

7. **Challenge: Identifying a competent local Execution Agency.** For BRAVE Women to realize its full potential as a transformation and scalable model program, it's important to select the right local Execution Agency and invest in its capacity. Political buy-in of public stakeholders is usually linked to agencies with national mandate. A local EA with limited track record in international donor funded development program can have negative impact on project execution.

**Response:** IsDB/ICD conducted in each country of implementation a careful capacity assessment and development exercise for the local Execution Agency. Furthermore, a technical exchange program under south-south cooperation framework is always envisaged in this regard.

*Lessons: For situations where local Execution Agency capacity is deemed as relatively low, it might be advisable to integrate the capacity assessment and development part of program design. For multi country programs, a sequential approach is recommended across countries for better learning and knowledge transfer.*

8. **Challenge: Lack of basic business knowledge and skills for some women entrepreneurs.**

**Response:** In the case of Yemen, the local PMU realized that some of the eligible women MSMEs had a lack of basic skills in business management which led to delays in completion of their BCP. The PMU had to perform additional basic short-term trainings to offset this issue.

*Lessons: In context of fragility, even already established women entrepreneurs usually lack minimum knowledge to build their business plan or BCP. It might be therefore better to include basic entrepreneurship/business trainings (even short-term ones) in the program design.*

9. **Challenge: Significant number of withdrawals from eligible MSMEs**

**Response:** in Yemen, in view of the large number of withdrawals during the time period between the approval of GJP and the disbursement of grants, the IsDB/ICD team in coordination with the PMU is currently developing a revised selection criteria to better assess the woman MSMEs ability and capacity to commit financially. Also, the project team adapted its approach by selecting the beneficiaries in several batches to balance the withdrawal effect and allow the MSMEs which withdrew to be enrolled in the second batch.

*Lessons: women MSMEs in fragile environment have usually limited financial resources/equity contribution. Therefore, any project design should include a proper selection method taking into account this specificity along with a minimum ticket size adapted to this context, in order to limit the number of withdrawals.*

10. **Challenge: Hesitation of some women MSMEs to register into the project due to social and cultural barriers**

**Response:** given the social and cultural norms in place in Yemen, it affected the choice of some women MSMEs to participate into the project. Thus, the local PMU advocated the project by meeting in person (one to one) MSMEs reluctant to register.

*Lessons: Specific programs towards women MSMEs such as BRAVE can be used as a way to break any restrictive cultural or social barriers.*

● **COVID- 19 IMPACT:**

Based on IsDB's assessment in coordination with the local EA in each respective country, the main activities which might be impacted during the program implementation are the following ones:

- Program execution: The Program implementation might face delays due the social distancing between the different stakeholders and lockdown/curfew in some cases. Whilst in Yemen and Burkina Faso the lockdown has been short (few weeks only), an eased lockdown (since August 6<sup>th</sup>, 2020) is still ongoing in Nigeria.

- Market access: if the social distancing and shutdown of business outlets remain, women MSMEs will have limited (if not total absence) of business opportunities and professional networking via gathering such as events, workshop, seminar, etc.

- Participation from the local commercial banks: banks which are usually credit averse towards MSMEs operating in fragile contexts and especially with women, will be even more reluctant to give lines (even short term) given the market uncertainty and default risk accentuated by the economic situation.

In terms of mitigation strategy, each country's local EA is currently actively developing a risk response plan to ensure continuity and minimize the effect in coordination with the. In addition to that:

- The program allocation will put more efforts towards vital sectors such as health and food with a higher concentration of portfolio for those two sectors.
- We might need to revise the matching scheme to allow for example 60/40 matching ratio in favor of the MSMEs in health sector. This was previously done in Yemen under BRAVE during the peak of conflict in 2016-2017 for the healthcare providers.
- Extend timelines/restructure the BCP of women SMEs when necessary especially for international asset procurement plans which will be impacted by the border closure and trade restrictions.
- Extend the business continuity curriculum to address measures and risks associated with the pandemics.
- The local EA will have to extend awareness and preventive measures/safeguards across all the stakeholders of the project.

Main risks	Rating	Mitigation
Program Implementation delays due the social distancing between the different stakeholders and lockdown/curfew in some cases	High	<ul style="list-style-type: none"> <li>- Use more technological/IT means (and improve them if need be) to support the social distancing and work-from-home options/remote interactions as much as possible</li> <li>- The local EA to perform online trainings and capacity building</li> <li>- Explore additional technology enablement of BRAVE Women model for online business activities/digital market platform (B2B or B2C) for Women SMES with the possible "agile proposal"</li> </ul>
Local Banks more credit averse towards SMEs thus limiting their access to finance and affecting the leverage ratio of the Program	High	<ul style="list-style-type: none"> <li>- The IsDB like many other MDBs/ DFIs has launched a \$2 billion emergency package for countries affected by COVID19 with the bulk of the allocation for the banking sector through Line of Finance in its member countries</li> <li>- Database of MSMEs of BRAVE Women will be shared and promoted to local FIs and partner banks.</li> </ul>
Fragility situation and social conditions deteriorated for the Women SMEs	High	<ul style="list-style-type: none"> <li>- Put more efforts towards health and food sector in the portfolio allocation of Women SMEs</li> <li>- Revise the matching scheme to allow for example 60/40 matching ratio in favour of the SMEs in health sector.</li> <li>- Extend timelines or restructure the BCP of Women SMEs when necessary especially for international asset procurement plans</li> </ul>
Lack of awareness and information about COVID19/pandemic disease amongst different stakeholders of the Program	Low	<ul style="list-style-type: none"> <li>- The local EA to dedicate additional communication resources towards building or expanding COVID19 awareness and preventive measures/safeguards promoted by the respective local agencies to ensure outreach covers the target beneficiaries and possibly via them to their wide clientele or surrounding communities (medica packs and social media tools will be the main convener of such support)</li> <li>- Extend the business continuity curriculum to address measures and risks associated with the pandemics .</li> </ul>

● **IMPLEMENTATION PROGRESS ASSESSMENT:**

- **The project is likely to achieve the majority of its major outcomes/outputs efficiently with moderate shortcomings:** So far, apart from implementation potential delays and projects' leverage ratio , we remain optimistic and don't expect major changes in terms of impact given that (a) the project in Yemen is still continuing smoothly (business as usual) with almost nil

impact (b) Nigeria and Burkina projects are still at early stage (c) each local EA in the three countries is currently developing a response plan to ensure continuity of their activities. However, we need to keep in mind that the situation is very volatile and changes very quickly.

#### IV. WE-FI IMPACT

- **OVERVIEW OF OVERALL IMPACT TARGETED.**

Each country project implementation is expected to last 36 to 42 months (depending on the intensity of the capacity and preparation phases) with a possibility of running two cycles of application for the women MSMEs to maximize the number of beneficiaries and their fund absorption. The actual implementation of the first internally approved project (Yemen) started in Q1 2019 and is expected to reach or exceed its target by the end of the program. This is in line with the forecasted target agreed upon in the result matrix.

It's worth noting that the IsDB Group financial year closing and results monitoring cycle coincide with the Gregorian calendar year which is different from the We-fi year closing and reporting (June). This shall result into timing mismatch for capturing KPIs which will be adjusted in the following reporting period.

The progress observed so far in the implementation of Yemen is satisfactory and has the potential to meet or exceed the target in terms of number of beneficiaries supported.

The PDO level results agreed in every project are expected to be realized at the end of Year 2 onward of each implementation project cycle. This is assumed given the fact that the first year is mainly dedicated to the preparational phase and initial stages of application, qualification and allocation of funds while the second year involves the implementation of the business plan from beneficiaries.

Only one KPI (leverage) will be completed at the end of the program timeline due to the fact that the programs operating in fragile high-risk market are not in a position to establish upfront reliable predictions on the amount expected to be raised from private sectors, local banks and DFIs beyond the well-defined matching contribution. This has been even more accentuated with the current COVID-19. The IsDB/ICD will however work closely with its local and international partners to track the leverage indicators from the second year onward and report it accordingly. The theory of change of this intervention assumes that the gradual de-risking of supported women MSMEs will stimulate the appetite of financial institutions to come onboard during the program's lifetime.

- **CHALLENGES MEASURING IMPACT:**

1. Some beneficiaries in Yemen reluctant to provide information and figures related to income, profit and number of employees. The local PMU tried to reach the beneficiaries via the field consultants, taking advantage of the relationship between the consultants and the beneficiaries to break the ice (the trust between the field consultants and beneficiaries is very good due to the direct contact) which eventually allowed the PMU to gather the needed information.
2. Some beneficiaries had difficulties in understanding the questions of the assessment. The PMU therefore simplified the language of questions to make it easier to understand such as breaking down the monthly income question to (a) number of customers in the day (b) number of working days monthly, etc.

Also, for the two challenges mentioned above, the PMU in Yemen provided trainings for the team in charge to communicate with the beneficiaries on how to ask the questions in a simpler way/provide examples to extract the needed data.

- **RESEARCH AND EVALUATIONS:**

In October 2019, the project team appointed Ghubril as evaluation firm for the three countries: Yemen, Nigeria and Burkina Faso. In each country, the consultant will address the following specific impact evaluation questions:

Firstly, the evaluation will focus on the impact of BRAVE Women on sales, introduction of new products/new market channels, and business resilience for treated MSMEs and lead firms (the primary outcomes).

Secondly, the evaluation will explore changes in secondary outcomes among treated firms attributable to BRAVE Women. The indicators of interest are employment, access to finance, development of business associations, improvement of living standards in terms of households spending on education, health and other assets.

Thirdly, the evaluation will attempt to identify any spillover effects on non-treated firms in the same area of intervention for the same primary outcomes of interest.

Lastly, the evaluation shall seek to separate the effect of training only and the effect of training plus grant matching scheme.

Given the strict requirements and the cost of an RCT, it has been decided to limit the RCT to Burkina Faso only and use a Difference-In-Difference approach or any other suitable methods such as propensity score matching in Yemen and in Nigeria.