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

**TEMPLATE & GUIDANCE NOTE**

**THEMATIC FUNDING REQUEST**

**ON A PROPOSED FINANCING**

**IN THE AMOUNT OF {USD}**

**TO THE**

{NAME OF IMPLEMENTING PARTNER}

FOR

{PROGRAM/PROJECT NAME}

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# I. EXECUTIVE SUMMARY:

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

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

# II. WE-FI THEMATIC REQUEST – DATA SHEET

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

**BASIC INFORMATION**

|  |  |
| --- | --- |
| IP Name |  |
| Program/Project Name: |  |
| COVID Sub-Thematic Focus Area (s) |  |
| Name of Top-up[[1]](#footnote-2) (i.e., original project name): |  |
| # of WSMEs benefiting from the program |  |
| Regions |  |
| Countries |  |
| Private Sector, Public Sector or Both |  |
| Implementation Start Date |  |
| Commitment End Date |  |
| Supervision End Date |  |
| IP Focal Point Contact (name, email, phone) |  |
| Key Staff Contacts (e.g. Project Lead, M&E Officer, Comms Officer) |  |

**WE-FI FUNDING REQUEST**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **USD** | **Total** | **Year 1** | **Year 2** | **Year 3** | **% IDA** [[2]](#footnote-3)*Estimate* | **% FCS**[[3]](#footnote-4)  *Estimate* | **Total IDA & FCS%**  *Estimate* **[[4]](#footnote-5)** |
| Total requested from We-Fi |  |  |  |  |  |  |  |

**TOTAL PROGRAM COST & LEVERAGE**[[5]](#footnote-6):

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

[PROGRAM/PROJECT NAME]

WE-FI FUNDING PROPOSAL

*(not to exceed 25 pages total)*

# III. PROGRAM/PROJECT DESCRIPTION

(max. eight pages)

1. **Objectives**: Describe the rational for the proposed activities (program, project or top-ups) within the context of the relevant COVID Sub-theme, the challenges it is addressing, its overall goals and development objectives. Point out how We-Fi funding provides additionality for this project.
2. **Country/Regional/Global Context (max. 1-2 paragraphs):**   Outline the local, country, regional, and/or global context in which the program or project will operate, including general economic, cultural, and social barriers women face. If possible, provide information on target areas and regions that would be covered by the program/project within each country, including where countries are IDA (including IDA Blend) or in fragile/conflict situations.

* ***For top-ups*** *just provide a short description (or update) of the country and market context in which the top-ups operate*.

1. **Thematic Context (max. 1-2 paragraphs):**  Provide a brief overview of the COVID Sub-Theme context for the program/project at both the global and local level. Provide brief information on the specific constraints to women’s entrepreneurship that the proposed program/project seeks to address. Highlight any innovations currently underway to address those challenges and others working on this topic.

* ***For top-ups*** *just provide a short description (or update) of the thematic context in which the top-ups operate.*

1. **Program Description**
2. **Key Components:** Describe the main components and subcomponents of the proposal. Specify activities under each component and subcomponent and explain the sequence and timeline of activities. Describe how the components build on already existing activities or represent innovations, and include information on pipelines and partners where applicable. Describe public and private sector complementarities needed to achieve the objectives (whether or not they are all funded by We-Fi). For each component, mention the We-Fi contribution and amount of contribution from others (i.e., leverage), as well as key results expected. Any research activities should also be described, including scope, techniques and timeline.

* ***For top-ups:*** *Describe the main components of the proposed top-up(s). Provide (1) a description of the top-up requested, (2) a summary of the existing program and how the top-up builds on it, (3) the status of the existing program, 4) explain why top-up(s) financing is needed, how We-Fi funding provides additionality and 5) how the project will be sustainable.*

1. **Strategic Partnerships[[7]](#footnote-8):**   Describe how the proposed program will work with specific strategic partners toward the thematic objectives, and their potential for transformational impact and scale. Strategic partnerships for this thematic call should focus on global and regional private sector entities, regulators, standard setting bodies, and non-profits engaged in strengthening the ecosystem relevant to the thematic area. However, other partners may also be relevant and/or strategic, including UN agencies, international financial institutions (IFI), donors, bilateral agencies, governments, civil society organizations, business groups, etc. Describe how strategic partnerships will galvanize actors around common goals or systemic change.

* ***For top-ups:*** *Summarize existing partnerships. If there will be new partnerships, please provide details.*

1. **Blended Finance & Results Based Mechanisms (RBMs):** Describe to what extent Blended Finance will be used and to what extent the Enhanced Blended Finance Principles[[8]](#footnote-9) will be applied to any investment activities utilizing We-Fi funds, to ensure efficient and non-distortionary use of subsidy.Describe any RBMs to be used in both advisory and financing activities and their role in ensuring We-Fi funds deliver maximum development impact, including through:
   1. **Improving outcomes and impact:** using results-based mechanism to incentivize improved project outcomes.
   2. **Catalyzing innovation:** using results-based mechanisms to galvanize innovative solutions and supporting their implementation.
   3. **Surfacing new partners:** using results-based mechanisms to surface new partners and crowding-in new actors.

Where possible, draw from the menu of RBMs (see Attachment 3), or clearly describe an alternative mechanism.

* ***For top-ups:*** *Summarize existing arrangements. If new mechanisms are expected, please provide details.*

1. **Program/Project Beneficiaries:**  Describe the target final beneficiaries. Confirm the definition of women-owned/led SMEs (see Definitions & Guidance), and any exceptions that will be required to that definition. Describe their socio-economic status and the context in which they are operating, to what extent they are not being served by existing structures, and how social norms and the country’s legal framework affect women entrepreneurs’ performance. Discuss how target beneficiaries have been or will be consulted in the program/project design and its implementation.  Describe any intermediary beneficiaries. Discuss intended sustainable business impact and behavior change of intermediaries in serving women entrepreneurs.

* ***For top-ups:*** *Describe the extent to which the new beneficiaries will be similar to or different from the beneficiaries of the original program and demand. Top-ups should demonstrate clear demand for continuation of the services provided in the original proposal beyond what can be supported by the original allocation.*

# IV. IMPLEMENTATION ARRANGEMENTS

(max. five pages)

1. **Institutional and Implementation Arrangements**:  Explain the IP’s We-Fi Program Management structure. For each component and subcomponent, describe how they will be undertaken and by whom. Include the criteria used for selecting executing entities / implementation partners and the role of these partners in designing and implementing the program. Include information on which key stakeholders, including governments and private sector institutions, were consulted and have confirmed their participation in the program/project, which still require confirmation, and the process/timeline required to commit the funds. While strategic partnerships do not have to be fully finalized at the time of proposal submission, evidence of their level of maturity/readiness will be factored into the scoring.

* ***For top-ups****: Confirm that the project will use the same implementation arrangements as the prior project and if there are any changes expected to the implementation arrangements.*

1. **Track Record of the IP and Other Partners**: Describe the track record of the IP in this area, and prior experience working with key implementing partners. Explain how the project incorporates lessons of experience. Explain how the program fits into the IPs strategy and the learning objectives for the IP.

* ***For top-ups:*** *The track record of the original activity should have been provided in the description section and is not required here. Here, provide updates on 1) the level of commitments and disbursements for the original activity that is being topped up and for the IP’s overall prior We-Fi allocations, 2) performance and results achieved to date by the activities being topped up, including original targets, results achieved, expected results from existing funding and incremental results from this proposal; and 3) any additional information on implementation challenges and learning from the initial implementation work.*

1. **Sustainability and Scale:** Indicate what measures will be taken to assure the sustainability of the proposed programs beyond We-Fi funding. Is it anticipated that the impact of the program will continue beyond the implementation of the activities directly funded by We-Fi? Are there opportunities to scale the program in a sustainable way to reach more beneficiaries?

* ***For top-ups:*** *Explain how sustainability will be achieved in the context of the request for a second round of We-Fi funding.*

1. **Theory of Change, Research, Learning and Knowledge Sharing**: Use We-Fi’s [Theory of Change](https://we-fi.org/theory-of-change) to illustrate how the program/project will contribute to We-Fi objectives and how these activities will result in sustainable impact at both firm and market levels. Explain how the IP will assess impact and collect insights from its program activities, compile lessons learned and disseminate knowledge products. Projects should include quantitative and qualitative methods to capture the changes in women’s lives as a result of the We-Fi financed program/project. Explain any research and rigorous impact evaluations activities to be undertaken, and how they would help to build the evidence base, improve the understanding of good practice, or test new approaches that support women’s entrepreneurship.

* ***For top-ups:*** *Explain any research, learning and knowledge sharing that has already happened under the project and further work to build lessons of experience from this project.*

1. **Monitoring and Evaluation**: Describe the IPs monitoring & evaluation framework to ensure that the funding is committed and used as intended. Provide an overview of how the IP will monitor project activities, risks, outcomes and impacts. Explain the annual cycle for collecting data and reporting on program results.  Note how the IP will address any challenges in data collection. IPs will be expected to report annually on program activities and results. Data may be requested semi-annually [on sources and uses of funds].

* ***For top-ups****: Summarize and confirm that the M&E Arrangements from the original activity will be continued or to what extent they will differ from what was in the original proposal.*

# V. RESULTS FRAMEWORK

(max. two pages)

All applicants should use the results framework templates set forth in Annex 1. For every proposal, the applicant should include the following:

1. Three Mandatory Indicators:
   * funds mobilized (indicator 1)
   * number of WSMEs reached (indicator 12)
   * at least one impact indicator
2. Core Indicators: We-Fi Results Framework includes core indicators linked to We-Fi focus areas (e.g. access to finance, access to markets) which should be selected based on the scope and thematic focus of the proposal. Applicants should use as many of the indicators as possible but **must use at least four core indicators in addition to the three mandatory indicators.**
3. Custom Indicators: A limited number of additional custom indicators may be added if needed for We-Fi reporting purposes. Any custom indicators should specify which We-Fi objective they refer to, as well as if the custom indicators measure outputs, outcomes or impact the impact of the program.

Please use the We-Fi Results Framework template to list **total targets** and **annual targets** for mandatory and core indicators.

* ***For top-ups:*** *IPs should only list targets additional to the ones indicated in the original proposal. Double counting the same women beneficiaries or partners served in the original project is not permissible.*

# VI. KEY RISKS IDENTIFIED AND MITIGATION MEASURES

(max. four pages)

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

1. **Risks Identified:** Describe and assess risks to achieving the overall program/project development objective(s) and associated activities. A template for the risk framework has been provided in Annex 2 as a framework to consider these risks.Proposals should include as part of their risk framework, risks identified related to COVID-19.

1. **Proposed Action Plan:** Reflecting your fiduciary and safeguards policies, provide a plan to manage these risks. Describe the mitigation measures and program risk management mechanisms that will be employed. Proposals should include as part of their risk framework mitigation measures related to COVID-19.

* ***For top ups,*** *a risk framework must be submitted but may be identical to the original project unless additional risks are expected in relation to the top-up.*

# VII. ANNEXES

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

## ANNEX 1: We-Fi Results Framework

**

## ANNEX 2: We-Fi Program/Project Risk Framework



## ANNEX 3:  Cost and Financing Plan

Include a detailed budget with budget notes, and the total amount of IP management fees. Where possible, the budget should be linked to individual activities and expected results. Provide specific budget information for each country or region included in the proposal.  An indicative fee cap of 7% of the We-Fi project or program/project grant amount (i.e. the amount of funding provided from the We-Fi) for IPs will support the cost of preparing project proposals and supervising projects. For top-ups the incremental cost of the new activity should be described, and details included in the Cost and Financial Plan. If you have programmatic or global elements, please explain how they will be budgeted and any implications that should be considered.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Budget Categories** | |  | **Amount (do not round)** | | | | |  | |
| **Investment Activities** | | **Advisory/ Technical Assistance Activities** | **Grants to WSMEs** | **Total We-Fi Funding Requested** | **Expected mobilized funds** | **# of WSMEs Reached** | **Countries\*** |
| Component or Top-Up 1 | |  | |  |  |  |  |  |  |
| Component or Top-Up 2 | |  | |  |  |  |  |  |  |
| Component or Top-Up 3 | |  | |  |  |  |  |  |  |
| Component or Top-Up 4 | |  | |  |  |  |  |  |  |
| **Support activities, Research, M&E** | |  | |  |  |  |  |  |  |
| **Administrative Fee\*\*** | |  | | | |  |  |  |  |
| **Total** | |  | |  |  |  |  |  |  |
|  | *\* if funding is allocated to more than one country per component please fill out the “Country Allocation Table” below.*  *\*\* for admin fees, input the amount under the total column.* | | | | | | | | |

Please fill out the “Country allocation table” below if funding is expected to be allocated to multiple countries per component.

|  |  |
| --- | --- |
| **Country Allocation Table** | **Total Amount (do not round)** |
| Country 1 |  |
| Country 2 |  |
| Country 3 (etc.) |  |
| **Total** |  |

# VIII. ATTACHMENTS

## ATTACHMENT 1: Definitions and Guidance

***For reference only***

**BASIC INFORMATION**

* **Thematic Focus:** Indicate which COVID Sub-Theme(s) this proposal covers, and if more than one sub-theme is covered, then please distinguish clearly between countries and budgets covered under each theme. *(refer to Attachment 4 for an overview of the prioritized themes in this round of funding).*
* **Proposals which include Top-ups:** Top-ups need to be treated as a new and separate allocations from the project being topped up. Accordingly, all proposals which include Top-Ups should ensure that there is no overlap or double counting between existing results frameworks and new Top-ups.
* **Definition of Top-up:** Top-ups are defined as extensions of the same activities in the same countries with new beneficiaries.IPscan use top-up funding for active projects to reinforce existing activities which would require little to no structural changes. These would be projects that have high burn rates or have depleted the majority of their funding and would merit a top-up due to demonstratable performance and impact.

*Note: any other activities, projects, or programs outside of the top-up definition should be considered as a regular funding request.*

* **Proposal Application Thresholds:** The minimum threshold for a funding request is USD 3 million for standalone top-up proposals, and USD 5 million for new project/program proposals or proposals that include both top-ups and new projects/programs.
* **Geographic Focus:** Indicate the country or countries where the project(s) will be active. For multi-country proposals, please provide a list of countries where We-Fi funded activities might be implemented, and a breakdown of financing allocation for each country. We-Fi can finance programs or projects in [ODA-eligible countries](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf) and territories that are eligible to receive funding from the [International Bank for Reconstruction and Development (IBRD)](https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups) and/or the [International Development Association (IDA](http://ida.worldbank.org/about/borrowing-countries)), including through trust funds administered by the World Bank. For a reference of country/territory groups, please see Attachment 6.
  + We-Fi has a strategic goal of allocating 50 percent of its resources to activities in IDA countries and/or fragile and conflict affected countries/territories over the lifetime of the We-Fi funds. In non-IDA/FCS countries in particular, proposals should explain why WSMEs are underserved, how they will track results, and be ambitious in targeting those who are often hardest to reach and underserved, either because they are marginalized populations or are in remote, poor, or rural areas.
* **Implementation Period:** The last date by which the Governing Committee can approve We-Fi Funding Requests is October 31, 2022. The last date by which the Trustee may transfer funds to IPs (the end of the “We-Fi Term”), is October 31, 2027. The IP should specify in their own proposals 1) the date by which they expect all funds will be committed (Commitment End Date) and 2) the date by which they expect all projects to have closed and final We-Fi results submitted (Supervision End Date). The program/project end date may extend beyond the We-Fi Term to meet the needs of the program/project.

**PROGRAM/PROJECT FINANCING DATA**

* **Total cost of Program/Project:** This is defined as the total cost for activities, inclusive of all funding sources, We-Fi included. If there are multiple sources of funding and all funds are focused on the same objectives that are fully aligned with We-Fi’s objectives, they may all be included here. If We-Fi funding is associated with a broader program/project where only certain components are focused on the same objectives as We-Fi, then only the costs for those components should be included here.
* **Leverage:** A key goal of We-Fi is to unlock significant financing for women entrepreneurs, including from the IP and the public and private sectors and to catalyze ongoing sustainable investments beyond the initial We-Fi investments. Attachment 5 provides guidance on We-Fi’s mobilization/leverage principles. See table and footnotes below for more information, please consult with the Secretariate for any additional guidance needed.

|  |  |  |
| --- | --- | --- |
| **Sources of Financing** | **Amount / Incremental Amount if Top-Up** *(do not round)* | |
| We-Fi financing requested (A) |  | |
| IP Contribution [1] [[9]](#footnote-10) (B) |  | |
| [Public-sector contributions [2][[10]](#footnote-11) (C)](file:///C:/Users/wb82666/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7S3FZWQ1/Mobilization%20Table%20and%20Budget%20-templates.xlsx#RANGE!B12) |  | |
| Private sector financing directly mobilized [3] [[11]](#footnote-12) (D) |  | |
| [Additional funds mobilized[[12]](#footnote-13) [*specify*] (E)](file:///C:/Users/wb82666/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7S3FZWQ1/Mobilization%20Table%20and%20Budget%20-templates.xlsx#RANGE!B12) |  | |
| Total Non-We-Fi Mobilized Funds (F) = (B+C+D+E) |  | |
| Total Activity Size (G)= (F+A) |  | |
| Of which % IDA and % FCS |  |  |
| Leverage (F/A) |  | |

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

Definition of Women-Owned/Women-Led Firm

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

Definition of Small and Medium Enterprise

* + **For finance projects:** the IFC definition should be used as-is, including the loan (financing) proxy[[13]](#footnote-14)
* **For non-finance projects:** the IPs may choose a proxy indicator from the following:
* **Financing**: Financing between $5,000 and $1 million ($2 m in selected large economies)
* **Employees**: Between 5 and 300 employees
* **Sales**: Sales between $50,000 and $15 million
* **Assets**: Assets between $50,0001 and $15 million

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

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

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

|  |  |
| --- | --- |
| **Criteria** |  |
| **Project Design &Implementation,   of which:** | **40 points** |
| *·   Project Design* | *10 points* |
| *·   Implementation Capacity* | *10 points* |
| *·   Risk Management* | *5 points* |
| *·   Results* | *10 points* |
| *·   Sustainability* | *5 points* |
| **Link to COVID Sub-Theme(s)** | **10 points** |
| **Mobilization/Leverage** | **10 points** |
| **Geographic Focus** | **15 points** |
| **Blended Finance/Results-based** | **10 points** |
| **Strategic Partnerships** | **15 points** |

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

Design (up to 10 points):  A strong proposal will provide the rationale for the chosen theme(s) program/project, the justification of using We-Fi funding, and a clear explanation of how the funds requested will be utilized. Strong proposals will clearly articulate a theory of change, demonstrating how the program/project will contribute to We-Fi objectives and how these activities will lead to anticipated sustainable development impact at both firm and market levels. Proposals must include how activities will reach women-owned/led SMEs, including whether a pipeline exists or needs to be developed. Proposals should explain how research and rigorous impact evaluations activities build the evidence base, improve understanding of good practice, or test new approaches that support women’s entrepreneurship. Strong proposals will include and demonstrate how We-Fi funding is directly used to catalyze financing mechanisms that will reach WSMEs and increase their access to finance. Proposals must briefly specify the barriers that women-owned/led SMEs face in the context which the project will address.

Proposals will also be scored on the extent to which the proposed monetary budget demonstrates value (economy, efficiency, and effectiveness). Strong proposals will have program/project budgets that are geared toward achieving the maximum impact for beneficiaries.  The funding requests set forth in proposals must be realistic and explain the basis for the amount of funding requested. Top-up proposals would also provide evidence of success from the original project, including evidence of meeting or exceeding disbursement, implementation and outcome goals on time and on budget.   It would demonstrate that the original program has delivered exceptional value for money to date and that a continuation of the program will build on that track record.

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

Risk management (up to 5 points):  The proposal will be scored on the extent to which there is a clear identification of risks in the risk framework and a rigorous plan for risk management, including fiduciary and safeguards policies.  IPs must ensure that activities are executed in accordance with the IP’s policies and procedures. These policies include but are not limited to its procurement, financial management, disbursement and fiduciary and safeguard policies, its framework to prevent and combat fraud and corruption, and its screening procedures to prevent the use of funds to finance terrorist activities. Proposals should specify a strong risk management approach, especially for promoting labor standards and acceptable working conditions. Proposals should also confirm that activities being financed are not on their institution’s exclusion or prohibition list. [[14]](#footnote-15)

Results Framework (up to 10 points): Proposals must have clearly defined expected results.  Proposals will be scored to the extent they include a robust results framework. The results framework includes several types of measurements. First, two high-level, aggregate indicators:  1) the total number of women-owned/led SMEs financed by We-Fi programs and 2) the total amount of private sector financing leveraged. Second, results at the level of objectives, outcomes, and outputs. Third, results at the facility level . Proposals are required to describe the mechanism that will be used to monitor and evaluate We-Fi financed activities. Strong proposals will have a comprehensive plan for gathering and sharing data and building capacity in areas where data gaps exist. For top-ups, results should only include incremental results from the top-up activities, and should not double count, for example the number of women financed if the top-up provides additional finance to the same women (the incremental volume may be included though).

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

**Prioritized Themes Link to COVID Sub-Themes: (10 points)**

Only the two prioritized COVID Sub-Themes identified as part of this funding round are eligible under this call: 1) Leveraging Finance & Data to drive the systemic changes needed to support WSMEs to build back better from the COVID crisis, and 2) Harnessing the transformative power of digital technologies for WSMEs to build back better from the COVID crisis. Proposals which best address the challenges described in these COVID Sub-Themes will received more points. For additional detail on these Sub-Themes, refer to Attachment 4.

**Mobilization/leverage: (10 points)**

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

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

We-Fi has a strategic goal of allocating 50% of its resources to activities in IDA countries, including blend] and/or fragile and conflict-affected states over the lifetime of the We-Fi funds (The Governing Committee will not allocate funds that drop the portfolio below 50%). Proposals that support women entrepreneurs in Forcibly Displaced Person (FDP)[[15]](#footnote-16) communities are encouraged. In non-IDA/FCS countries, proposals should be particularly ambitious in targeting thosewho are often hardest to reach and underserved, either because they are marginalized populations or in remote, poor, or rural areas. Proposals with a strong focus on low-income and/or fragile countries and/or underserved women entrepreneurs in middle-income countries will receive a higher score. For those proposals targeting Africa, special consideration will be given to those with activities in G20 Compact Countries.[[16]](#footnote-17)

**Enhanced Blended Finance & Results Based Mechanisms: Demonstrating effective use of results based mechanisms, grants funds/blended finance (10 points)**

Proposals using blended finance, should affirm that they are using the Development Finance Institutions Enhanced Blended Finance Principles[[17]](#footnote-18) and how they are being used to effectively improving results. Proposals must demonstrate effective use of results based mechanisms, (e.g. impact bonds, pay for success contracts, outcome based pricing, challenge funds etc.), with the aim to maximize development impact, catalyzing innovation, and surfacing new partners. Proposals will be evaluated on the following: use of innovative instruments to; improve outcomes, encourage innovation, crowd-in funding/resources, surface new or strategic partners, crowd-in new actors, access hard to reach beneficiaries, change behaviors, promote sustainability, etc. Additional information on examples of Results Based Mechanism can be found in Attachment 3.

**Strategic Partnerships: (15 points)**

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

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

*Example of Results Based Mechanisms:*

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

## ATTACHMENT 4: Prioritized COVID Sub-Theme Overviews

The focus of this call for proposal is on the following two prioritized COVID Sub-Themes:

1. Leveraging Finance & Data to drive the systemic changes needed to support WSMEs to build back better from the COVID crisis.
2. Harnessing the transformative power of digital technologies for WSMEs to build back better from the COVID crisis.

**Theme Overviews**

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

**1) Leveraging Finance & Data to drive the systemic changes needed to support WSMEs to build back better from the COVID crisis.**

Access to finance is a particularly challenging impediment for WSMEs. Even before the pandemic, 70% of WSMEs worldwide were under-served by financial institutions, contributing to a $1.5 trillion financing gap globally. Women are less likely to access finance, and when they do it is in smaller increments than men. This is the case for debt, where loans to WSMEs are typically half the size of loans to SMEs overall, and even more serious in the case of equity where only 2.7 percent of global venture capital went into all female-founded companies in 2019.[[18]](#footnote-19)

What was already a critical agenda has taken on new urgency as the COVID-19 crisis threatens the progress made by women in recent years. COVID-19 has created increasing credit market vulnerabilities and credit tightening, which can disproportionately affect WSMEs who tend to have less access to finance and less well established relationships with their financial institutions. Despite these challenges, there is little evidence that governments or private sector have systematically incorporated gender in their emergency relief programs to prevent old patterns of exclusion from repeating themselves. A study by the Center for Global Development showed that of 1,812 national COVID response measures tracked by the UN, 500 focus on economic/financial/fiscal measures and of those only 20 of those (4%) address gender in emerging markets. A recent paper by the Bill & Melinda Gates Foundation and CGAP[[19]](#footnote-20) explains the “tyranny of the urgent” can often sideline gender analysis and action during crises, which is likely what we have seen when it comes to support to WSMEs.

Since most governments and the private sector are not already in the habit of collecting sex disaggregated data on financing for SMEs, it has been difficult to track and understand their gender outcomes, let alone design and hold programs accountable to address women’s needs equitably. The lack of sex-disaggregated data was known to be a systematic barrier to increasing WSME access to finance well before the crisis. With the crisis, the consequences are becoming clearer and the need to take action greater. It is relatively rare for financial institutions, particularly outside of the microfinance sector, to disaggregate their firm financing data by sex. It is even more rare for FIs or policy makers to use that data to improve and expand financial services for women.

This sub-theme will focus on two types of related activities. First are activities that would promote the systematic collection and use of **sex-disaggregated data** on SME finance, eliminating a key bottleneck to expanding WSME access to finance. Second are activities that would more directly **expand financing** for WSMEs through financial intermediaries, using blended finance, capacity building and incentives. In both areas, research, policy and data elements may be included.

**Sex-Disaggregated Data on WSMEs:** While there are many causes of the financing gap women face, the lack of sex-disaggregated data is generally cited as one of the most persistent and consequential contributors to the gap (see box). Data gaps impact decisions made by financial institutions, their funders and regulators, creating a multifaceted bottleneck to expanding WSME finance.

*Financial institutions,*including banks, accelerators, venture funds, fintechs, insurance companies and others that do not sex-disaggregate their data are not able to employ data analytics to understand the performance of their female business clients and how they use financial services. This makes it difficult to establish the business case for expanding finance to the segment and designing services to better meet their needs. A lack of baseline data also makes it difficult to set and track targets, for example, to expand market share, improve client satisfaction or increase cross-sell to the segment.

*Development finance institutions and impact investors*are increasingly keen to expand their portfolio of gender lens investments in financial institutions, through credit lines, equity investments, guarantees, and more recently, gender-focused social bonds. However, because many FIs do not produce sex-disaggregated data about their SME portfolios, a good amount of financing that could go to women entrepreneurs sits on the sidelines, unable to be deployed in a gender-focused manner.

*Governments* looking to expand financial inclusion as a way to reduce income inequality and increase small business growth need sex-disaggregated data to see how effectively FIs in their countries are serving WSMEs. Without it, it is difficult to design effective, evidence-based policies and actions to ensure women are not being left behind, to hold financial institutions accountable for expanding finance to women entrepreneurs, and to deploy their own funds effectively when warranted.

**Challenges and Opportunities for Improving Sex-Disaggregated Data on WSMEs**

Notwithstanding the substantial potential benefits, the collection and use of sex disaggregated data continues to face significant challenges. A study conducted in 2014/2015 including 173 banks from over 50 countries found that only 30 percent of included financial institutions were currently collecting and using sex-disaggregated data. The collection and use of gender data is usually hampered by 1) legacy information systems, 2) lack of common standards and definitions, 3) management capabilities and capacity, 4) coordination challenges, and 5) ultimately awareness.

* **Legacy systems.**  Legacy systems can make it challenging to sex-disaggregate data. While banks may be able to adapt their systems to tag new customers, compiling baseline data on existing portfolios is time consuming and costly. In many institutions, sex-disaggregation is done manually and needs to be coordinated across several business units, creating reporting difficulties and delays.
* **Lack of standard definitions.** FIs also struggle with a lack of a standard WSMEs definitions, double-counting and confusion over tagging that decreases the quality of data significantly. Ultimately this affects both the use cases and level of confidence in analysis of sex disaggregated data.
* **Capacity Constraints.** Financial Institutions have limited resources and capacity to adapt existing data collection and management information systems (MIS). Incentives and resources to introduce new data standards and tackle these challenges are often insufficient. Because the business case for collecting such data is not well understood, FIs underinvest in addressing these issues.
* **Partnerships and Coordination.** Many ecosystem stakeholders have an interest in WSME Data, including the financial institutions themselves, investors, regulators, credit bureaus and other service providers and standard-setters. Standards to promote consistent definitions and protocols to protect privacy and facilitate data-sharing partnerships are needed to get away from ad hoc efforts to more systematic efforts to gather data at the country level.
* **Awareness and Advocacy.** Evidence points to a clear lack of awareness of the importance of sex-disaggregated data. The lack of awareness of the value of sex-disaggregated data at both regulators as well as financial institutions is one of the frequent challenges cited by regulators. This highlights the need to continue to encourage and showcase more examples of gender data impact, and advocate for further collection and dissemination of gender disaggregated data.

A number of efforts are underway to improve sex-disaggregated data in the financial sector. Though most of it is focused on consumer and transaction data, some look at enterprise data as well. In 2018 the Women’s Financial Inclusion Data (WFID) partnership developed a global gender strategy to expand the role of sex-disaggregated data in increasing women’s financial inclusion. Their partners, including several of We-Fi’s IPs are piloting efforts to expand sex-disaggregated financial data reporting at the FI and country level. The UK’s Investing in Women Code is another example. In 18 months since the launch of the Code, all of the largest banks and over 70 other financial institutions operating in the UK have begun or pledged to provide sex-disaggregated data on their SME portfolios. This marks the first time a country has systematically collected firm-level data covering the banking, equity and fintech spaces. An opportunity to replicate this experience on a global scale through a WE Finance Code is in discussion.

The sub-theme on Finance and Data under the 4th call would build on the WFID experiences and could dovetail with the rollout of the WE Finance Code.

**Examples of Data Activities.** Data activities under We-Fi’s 4th call could include national, regional or global efforts of IPs to work with regulators and their ecosystem partners (e.g., IMF, AFI, FAW, WWB) to build standards, protocols and capacities for more systemic collection of sex-disaggregated data from financial intermediaries. IPs could choose to work with credit bureaus, banks, funds, fintechs or others to support their ability to collect and use of data on WSMEs. The work could also include research and analytics to build the business case for such data collection, and policy interventions to make data collection more efficient and secure. Additional work could be done to ensure data is not used to discriminate against WSMEs or reinforce existing biases. The data work under this sub-theme only refers to sex-disaggregated financial data on WSMEs, so efforts to close other important data gaps for women are not the focus of this call. Any work on this call may be closely integrated into the WE Finance Code efforts.

**Continued focus on expanding finance for WSMEs.** In addition to supporting more systematic sex-disaggregated data collection and use, this sub-theme will also support measures that will more directly expand debt and equity financing to WSMEs. Even when banks, fintechs and equity providers have sex-disaggregated enterprise data, they often lack the skills and insights to analyze the data and design of gender-smart products and services. Moreover, FIs are often lacking liquidity, risk mitigation or incentives they need to grow their own WSME portfolios.

**Examples for Expanding Finance.** Examples of activities that could be included to expand financing for WSMEs under this sub-theme include using We-Fi funds to deploy performance incentives, credit lines, gender bonds and equity investments, and capacity building to help FIs expand financing for WSMEs. It could also include work with governments deploying public funds for WSME in response to COVID or other drivers. It may also include research, sharing of best practices around the design and deployment of innovative financial services, or policy interventions to unleash financing for women or ensure WSMEs seeking financing are protected from discrimination or bias in financing. Activities such as these that are focused on expanding the volume and quality of financing for WSMEs through FIs should be closely tied to more systematic efforts to improve sex-disaggregated data under the same proposal in this call.

**Please Note:** The data element of this theme is associated with Financing. There are many other important data gaps that are of significant consequence for women entrepreneurs. However, this COVID sub-theme is not meant to support all data efforts, just those related to financing. The focus of this theme is not on consumer or payment data, any project which includes such data should demonstrate how the beneficiaries are women entrepreneurs. Each proposal should have a data element included. This element needs to go beyond the standard reporting partners must do to IPs, in order to develop sustainable data systems, capacity and/or analytic tools that can be used to accelerate financing for women.

**2) Harnessing the power of digital technologies for WSMEs to build back better from the COVID crisis.**

Even before COVID, digital technologies played an important role in helping WSMEs innovate, increase productivity, and access finance and markets. Digital technologies lower barriers to entry, require less time and capital to stand up, and enable asynchronous exchanges. Therefore, they can be particularly beneficial to WSMEs, which tend to be smaller and have less access to capital and markets and whose owners tend to be more time constrained. Yet WSMEs often cluster in service sectors that depend less on technology. Even within the same sectors often lag their male peers in digital adoption. Women entrepreneurs and WSMEs have also been less likely to be drivers of technological innovation as a result of their under-representation in STEM sectors.

The COVID crisis has presented a massive challenge to WSMEs that had not previously embraced digital technologies, and a significant opportunity for those that could quickly pivot. Women and men who do not have access to technology or the knowledge to deploy it effectively for their business have been falling behind. Those who can pivot and adopt new technologies are better positioned to rebound. During COVID we have seen women, in some cases more than men, embrace digital technology as the primary means for transforming their businesses to become more resilient and agile. In some cases, we have seen women become digital innovators, developing new technology solutions to address market needs that have been exacerbated by COVID. COVID has shown us clearly that digital transformation is essential for WSMEs to become drivers of growth emerging from the crisis and beyond.

The following three types of activities exemplify the types of work that would respond to this sub-theme in the fourth call. First are activities that support WSMEs with their **digital transformation**, enabling them to re-engineer core business functions to enhance resilience, efficiency, and growth potential. Second are activities that help **digital platforms,** especially ecommerce and fintech platforms, improve and expand how they are serving WSMEs. Third are activities that promote women **STEMpreneurs** who are working to introduce new technologies that will enable economies to build back better after COVID. Within each of these areas, in addition to working with WSMEs and intermediaries, IPs are encouraged to engage on **policy, research and data** activities. It is these activities that will help We-Fi build the evidence base, understanding of good practice and enabling environment framework for increased use of digital technology by women entrepreneurs.

**WSME Digital Transformation:** Women-led businesses continue to be affected by the structural shifts caused by COVID-19 crisis. These include shifts in consumer mobility and habits, increased use of digital technology by consumers and suppliers, innovations in digital financial solutions, and the growth of and proliferation of digital platforms. These shifts have made it even more important to support women-led businesses to adopt digital technologies. The digitalization of customer interactions through ecommerce and other channels has been one of the most obvious shifts during COVID, requiring WSMEs to leverage digital tools in order to adapt and grow the customer-facing side of their business. A recent survey comparing the average share of digital customer interactions pre- and post-crisis shows that rapid shift has been made toward interacting with customers through digital channels. Respondents are three times likelier now than before the crisis to say that at least 80 percent of their customer interactions are digital in nature.[[20]](#footnote-21) Just as importantly, COVID has expanded the availability of and need for digital solutions for back-end business processes, such as financial management, inventory management, procurement and interactions with government agencies. Adoption of such digital solutions are no less important than the front-end solutions. They will help women modernize their businesses, gain greater efficiencies, improve access to finance and inputs, and become more resilient to future challenges.

**Examples**. Activities under this call can help women exploit both front- and back-end technologies for improved operations across the entirety of their businesses. This could include, for example, programs that directly or through intermediaries help women entrepreneurs understand the benefits and options of new front- and back-end technologies, help women to select and adopt new technologies, and advise on how to maximize the benefits of such technology in their businesses. Research on the knowledge, access and policy gaps women are facing and what works to improve uptake and productivity is welcome.

**Digital Platforms.** In addition to working with entrepreneurs, this call encourages engagement with digital platforms, especially (but not exclusively) ecommerce and fintech platforms, interested in improving their services to better meet the needs of women entrepreneurs. Digital platforms have a total market value of US$4.3 trillion[[21]](#footnote-22) and are an increasingly important part of how SMEs grow their businesses. During the pandemic they have seen extraordinary growth[[22]](#footnote-23). A recent study, which gathered data from 1,385 FinTech firms in 169 jurisdictions from mid-June to mid-August, showed most types of FinTech firms reporting strong growth for the first half of 2020 compared to the same period in 2019, prior to the pandemic. [[23]](#footnote-24) The growth of ecommerce, mobile money and other digital services during the COVID crisis has been a promising development for many WSMEs. But while the fintech and ecommerce markets have rapidly expanded and improved their services during COVID, most research has shown that they are not fully addressing the needs of WSMEs. A survey of Fintechs undertaken by Women’s World Banking found that only 22 percent are using some gender-inclusive design elements in to develop customized solutions for women.[[24]](#footnote-25) Both ecommerce and fintech platforms are in a unique position to build gender-intelligent value propositions with a data-driven, tailored approach. However, they need to do more to understand and tailor approaches to better onboard and serve the needs of WSMEs[[25]](#footnote-26). With a growing reliance on artificial intelligence in digital decisioning models, it is important to also ensure that the data and analytics are not creating unintentional biases against WSMEs or having unintended consequences.

**Examples**: In this context, We-Fi activities under the 4th call can help IPs work with digital platforms, ecosystem partners or policymakers on actions that will improve how digital solutions meet the needs of WSMEs. This could include, for example, supporting research and analytics on what is working on these platforms and what are the gaps when it comes to WSME needs. It could also include raising awareness about gender-intelligent design approaches, or advising on the design of strategies, products and services that will accelerate the number of women using digital services, and the value they get out of them.

**STEMpreneurs:** Women entrepreneurs should not just be the beneficiaries of new digital solutions; we need more of them to be creators of innovative digital solutions themselves. COVID is one of many forces that are disrupting old business models and creating opportunities for innovation and technological advancement in every corner of the world. Other forces include climate crisis, the gig economy and digital democratization, and the growing purchasing power of emerging markets and the female consumer. With these overlapping forces at play, more and more women are looking for opportunities to bring their own innovative digital solutions into markets that have been disrupted by COVID and other forces. [[26]](#footnote-27) Yet they must overcome a daunting array of hurdles to break through in technology and finance industries that are still overwhelmingly dominated by men. These include cultural barriers that mitigate against women choosing to become entrepreneurs and technologists; legal barriers to mobility and asset accumulation; educational gaps in STEM fields; in addition to well documented embedded biases and lack of role models and networks in the technology and finance sectors.

**Examples.** We-Fi can play a role to bring women entrepreneurs to the forefront of the technological transformations that have been accelerated by COVID by expanding financial and non-financial support to WSMEs that are digital innovators. Activities under this call could include providing advice, capacity building, finance and incentives for entities looking to undertake gender-smart STEM-focused acceleration, incubation and early stage finance and other mentoring and support programs for women STEMpreneurs. Research, good practice dissemination and governmental efforts to implement policies or programs to eliminate barriers for women STEMpreneurs could also be supported. Although We-Fi cannot tackle the broader issues around STEM education for girls in school, it can work with women who have business ideas and are putting them in motion.

**Please note:** The goal of this theme is to enable women to leverage technology in their business operations. Supporting intermediaries to transition to new technologies is important as well, but not the primary purpose of this theme.

## ATTACHMENT 5: We-F Principles Guiding Leverage Calculations

The objective of We-Fi is to address financial and non-financial constraints faced by women-owned/led small and medium enterprises (SMEs) in IDA and IBRD eligible countries/territories that are ODA-eligible. We-Fi aims to achieve this by mobilizing more than USD1 billion in financing from commercial and international financial institutions for entities ***that provide women entrepreneurs with access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets, and for governments to improve the business environment for women-owned/led SMEs.***

We-Fi provides grant financing to eligible Implementing Partners (IPs) which, under the first Call for Proposals, are the accredited MDBs. The IPs will use We-Fi funds to support programs/projects as approved by the Governing Committee.

The key principles that will guide the use of We-Fi contributions by IPs for programs/projects draw on the **October 2017 Report by the Development Finance Institutions (DFI) Working Group on Blended Concessional Finance for Private Sector Projects**[[27]](#footnote-28)**,** which presents an approach to the effective use of blended concessional finance for private sector projects. These principles, which aim to maximize development impact, are as follows:

1. **Additionality and Rationale for Blended Concessional Finance:** Contribution that is beyond what is available, otherwise absent from the market, based clearly on the economic rationale for using concessionality.
2. **Crowding-in and Minimum Concessionality:** Contribute to catalyzing market development and mobilization of private sector resources, with concessionality not greater than necessary to make the project happen.
3. **Commercial Sustainability:** Impact achieved by each operation should aim to be sustainable and also contribute towards commercial viability in the sector overtime.
4. **Reinforcing Markets:** Addresses market failures effectively and efficiently minimizes the risk of market distortion or crowding out private finance.
5. **Promoting High Standards:** Promote adherence to high standards, including in areas of governance, environmental impact, integrity, transparency, and disclosure.

In the context of each program/project that is supported by We-Fi contributions to the concerned IP, the funds “leveraged” may be defined as follows:

* For lending/investment activities, the amount of own account financing from the IP that is mobilized for the activity (or, in the case of risk sharing facilities, the amount of the guarantee from the IP) alongside the We-Fi contribution as well as any commercial financing mobilized (either from the client/sponsor, other investors or financiers in the project) by the IP to ***support the same activity targeted at women-owned/led SMEs will be included in the leverage measure.*** If We-Fi funding is used for a lending/investment activity that is associated with a broader program, where only certain components are focused on the same objective as We-Fi funding, then the portion of the IP’s own resources mobilized for those components and commercial financing mobilized for those same components would be counted as part of the leverage measure.
* For advisory/technical assistance activities, the amount of own account financing from the IP that is mobilized for the activity alongside the We-Fi contribution as well as any contributions from the client, including in-kind contributions, will be counted in the leverage measure. Further, if We-Fi funds are used to prepare an IP’s lending/investment activities that are subsequently financed by an IP’s own resources then the latter amount may be included in the leverage measure once the lending/investment activity has been approved by the IP’s own Board.

Concessional resources mobilized by IPs from other donors to support We-Fi funded activities will not be counted as funds “leveraged”.

## ATTACHMENT 6: Countries/Territories Eligible for We-Fi funding

We-Fi can finance programs in ODA-eligible countries[[28]](#footnote-29) and territories that are eligible to receive funding from the International Bank for Reconstruction and Development (IBRD)[[29]](#footnote-30). We-Fi has a strategic goal of allocating 50 percent of its resources to activities in International Development Association (IDA) countries[[30]](#footnote-31) and/or Fragile and Conflict Affected Situations (FCS). This note is to clarify which countries counted toward the We-Fi IDA/FCS funding allocation and how that allocation is assessed.

**International Development Association (IDA) countries:** A country’s eligibility for IDA support depends first and foremost on a country’s relative poverty, defined as GNI per capita below an established threshold and updated annually ($1,175 in fiscal year 2020). There are 74 IDA eligible countries, of which 59 are considered IDA[[31]](#footnote-32). Another 15 countries are IDA-eligible based on per capita income levels, but they are also creditworthy for some IBRD borrowing. They are referred to as “blend” countries. In addition to pure IDA and IDA Blend countries, there are other categories such as IDA Transition countries and Countries Borrowing on Small Economy Terms. For We-Fi's calculation and categorization of the IDA portion of the IDA/FCS portfolio allocation, **we will include activities implemented in IDA and IDA-blend countries, and countries borrowing on small economy terms, but will not include IDA Transition**. *Please see below for the list of IDA countries.*

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

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

**Forcibly Displaced Persons:** Projects focused on supporting women entrepreneurs in forcibly displaced communities will also be considered part of the geographic focus of We-Fi alongside IDA and FCS. FDP projects will still be required to be in ODA/IBRD countries, but not necessarily in IDA/FCS.

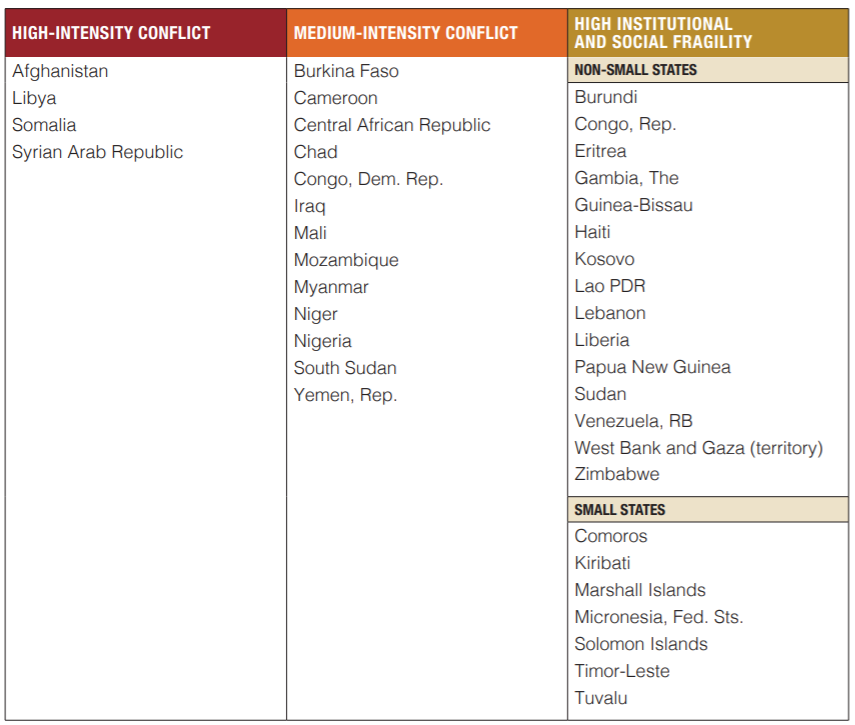
**Changes to the IDA / FCS list:** Note that IDA and FCS eligibility are assessed periodically, and countries may be added or taken off the lists. We-Fi will consider eligibility at the time of We-Fi's funding allocation decision to the IP, such that if a country falls off one of the lists they will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

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

**IDA Borrowing Countries (FY21):**

74 countries are currently eligible to receive IDA resources.



**FY21 List of Fragile and Conflict-affected Situations:** 

1. Refer to guidance note for the definition of a top-up. [↑](#footnote-ref-2)
2. Including [IDA Blend but not IDA Gap or Transition](http://ida.worldbank.org/about/borrowing-countries) [↑](#footnote-ref-3)
3. [WBG Harmonized List of Fragile Situations](https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations) [↑](#footnote-ref-4)
4. Please ensure that IDA and FCS figures are not double counted in for the Total IDA and FCS % [↑](#footnote-ref-5)
5. See Attachment 1 for definitions and guidance on this table [↑](#footnote-ref-6)
6. *Inter alia,* parallel funding arrangements should be captured here. [↑](#footnote-ref-7)
7. Strategic partnerships are those which demonstrate potential to be transformational or scale impact, contribute a material level of We-Fi resources across the strategic partners, and are formed (or near formation). [↑](#footnote-ref-8)
8. See: Report by the Development Finance Institutions (DFI) Working Group on Blended Concessional Finance for Private Sector Project, Update December 2020. http://documents1.worldbank.org/curated/en/221851613400323474/pdf/Joint-Report-2020.pdf [↑](#footnote-ref-9)
9. [1] Amount of IP contribution or amount of guarantee provided by IP. If We-Fi funds that are used by the IP to prepare a lending/investment activity that is subsequently financed by an IP’s own resources, then the latter amount may be included in the leverage measure. Such contributions can be reported as leverage only after the new activities are approved by IPs board. Only the funding allocated for WSME activities can be counted as leverage. [↑](#footnote-ref-10)
10. [2] Includes funds mobilized from other IFIs, bilateral funds, government institutions. Funds must be allocated specifically to support the We-Fi activity to be counted as leverage. [↑](#footnote-ref-11)
11. [3] Includes any additional financing catalyzed for WSMEs by private sector partners (e.g. investors, financial institutions, corporates, VC funds). This includes funding mobilized directly (e.g. joint investments made by IPs with other private investors), and funds mobilized indirectly (e.g. additional lending made by banks to WSMEs – only if level of lending to WSMEs goes above the investment received by the bank from the IP/other investors and We-Fi). [↑](#footnote-ref-12)
12. Parallel funding arrangements should be captured here. [↑](#footnote-ref-13)
13. **Definition of SME / VSE:** The IFC SME and VSE definitions are as follows:

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

    Employees: SME Between 10 and 300 employees

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

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

    or

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

    **For Very Small Enterprises (VSEs)**: firms with 5-10 employees or firms receiving loans between $5,000 and $10,000. [↑](#footnote-ref-14)
14. If the IP does not have an exclusion or prohibition list, IPs should follow the IFC’s Exclusion List: See:http://www.ifc.org/wps/wcm/connect/topics\_ext\_content/ifc\_external\_corporate\_site/sustainability-at-ifc/company-resources/ifcexclusionlist [↑](#footnote-ref-15)
15. The forced movement of people from their locality or environment and occupational activities due to conflict, persecution, violence, or human rights violations. This could include refugees, asylum seekers, and internally displaced persons. The definition used for Forcibly Displace Persons should be included as part of the proposal. [↑](#footnote-ref-16)
16. More information is available on the G20 Compact with Africa at the following link: <https://www.compactwithafrica.org/content/compactwithafrica/home.html> [↑](#footnote-ref-17)
17. See: Report by the Development Finance Institutions (DFI) Working Group on Blended Concessional Finance for Private Sector Project, Update December 2020. http://documents1.worldbank.org/curated/en/221851613400323474/pdf/Joint-Report-2020.pdf [↑](#footnote-ref-18)
18. Crunchbase. 2020. “Why Now Is The Time To Reinforce Support Of Female Founders.” Available at: https://news.crunchbase.com/news/why-now-is-the-time-to-reinforce-support-of-female-founders/ [↑](#footnote-ref-19)
19. Bill and Melinda Gates Foundation, CGAP, et al. “Digital Cash Transfers in the Time of COVID-19: Opportunities and Considerations for Women’s Inclusion and Empowerment” World Bank Group, 2020. [↑](#footnote-ref-20)
20. <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever> [↑](#footnote-ref-21)
21. The Rise of the Platform Enterprise: A Global Survey, January 2016, The Center for Global Enterprise [↑](#footnote-ref-22)
22. Women’s World Banking. 2020. “Women’s Economic Empowerment is the Doorway to Economic Recovery and Growth Post-COVID-19; Fintechs are the Key.” Available at: https://www.womensworldbanking.org/insights-and-impact/womens-economic-empowerment-doorway-to-economic-recovery/&utm\_source=linkedin&utm\_medium=organic&utm\_campaign=wwb [↑](#footnote-ref-23)
23. https://www.worldbank.org/en/news/press-release/2020/12/03/fintech-market-reports-rapid-growth-during-covid-19-pandemic [↑](#footnote-ref-24)
24. Women’s World Banking. 2020. “Women’s Economic Empowerment is the Doorway to Economic Recovery and Growth Post-COVID-19; Fintechs are the Key.” Available at: https://www.womensworldbanking.org/insights-and-impact/womens-economic-empowerment-doorway-to-economic-ecovery/&utm\_source=linkedin&utm\_medium=organic&utm\_campaign=wwb [↑](#footnote-ref-25)
25. https://nextbillion.net/harnessing-the-potential-of-digital-finance-for-women/ [↑](#footnote-ref-26)
26. GSMA, Connected Women, The Mobile Gender Gap Report, 2018 [↑](#footnote-ref-27)
27. Please refer to: http://www.ifc.org/wps/wcm/connect/30635fde-1c38-42af-97b9-2304e962fc85/DFI+Blended+Concessional+Finance+for+Private+Sector+Operations\_Summary+R....pdf?MOD=AJPERES [↑](#footnote-ref-28)
28. <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-29)
29. <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

    The following IBRD/IDA countries are not ODA recipients: Bulgaria, Chile, Croatia, Poland, Romania, Russia, Seychelles, St. Kitts and Nevis, Trinidad and Tobago, Uruguay. Note that this list may change periodically. [↑](#footnote-ref-30)
30. The International Development Association (IDA) is an Institution of the World Bank Group dedicated to helping the world’s poorest countries. Overseen by 173 shareholder nations, IDA aims to reduce poverty by providing loans and grants for programs that boost economic growth, reduce inequality, and improving living conditions. [↑](#footnote-ref-31)
31. Bolivia, Sri Lanka, and Vietnam graduated from IDA at the end of FY17. These countries continue to receive transitional support on an exceptional basis through the IDA18 period (FY18-20) from We-Fi. [↑](#footnote-ref-32)