



2021 We-Fi Annual Progress Report

Reporting period - July 1, 2020 to June 30, 2021

Name of Implementing Partner: African Development Bank Group (AfDB)

Executive Summary

The Africa Development Bank Group (AfDB) plays a catalytic role in accelerating efforts to address gender inequality and drive inclusive economic transformation for women across Africa by mainstreaming gender in its operations and implementing targeted initiatives dedicated to African women. To further push forward the agenda of gender equality and women's empowerment across the continent, the Bank established the Affirmative Finance Action for Women in Africa (AFAWA), a flagship program that specifically focuses on increasing inclusive finance for women entrepreneurs on the continent. AFAWA's primary objective is to bridge the \$42 billion finance gap for women entrepreneurs in Africa and to unlock up to USD \$ 5 billion in financing by 2026 to unleash their entrepreneurial capacity and full potential. A target of USD 2 billion of loans unlocked for women SMEs will be partly met with support from the Women Entrepreneurship Finance Initiative (We-Fi) through which the Bank is committed to facilitate lending to women SMEs of up to **USD 494 Million in the next 4 years**.

AfDB's We-Fi program focuses on 4 components:

Component 1: Improving access to finance for WSMEs – AfDB lines of credit (LoCs) and trade finance to financial institutions (FIs) as well as the equity investments to non-banking financial institutions (NBFIs) will be leveraged to address the critical supply and demand side deficiencies impacting WSMEs. The We-Fi Funding will complement these investments thus enhancing the FIs comfort in lending to women.

Component 2: AfDB will provide capacity building services to women entrepreneurs in the portfolio of Bank investees, including access to mentoring, entrepreneurship training courses, and know-how to grow their businesses in collaboration with strategic partners implementing complementary projects. In addition, AfDB will build the capacity of FIs and NBFIs to address the specific needs of women-owned/led businesses through the internal strengthening of relevant functions and the development of financial and non-financial products tailored to women.

Component 3: This component is structured to improve the enabling environment for WSMEs by working with central banks and relevant regulatory authorities to review and strengthen policies to support WSMEs. The component will allow for the revision of some of existing policies and challenges identified in the two UN Women affirmative procurement studies respectively as major impediments for women's access to finance.

Component 4: Special Initiatives – this component will reinforce existing special initiatives funded by the AfDB and others, to improve access to finance, markets, and increase the number of bankable women entrepreneurs in sectors frequently overlooked by mainstream financiers.

In the period of July 2020 to June 2021, the African Development Bank (AfDB) increased its yearly envelope of investment to Women SMEs to USD 436 million, up from USD 150 million the years prior. The increase in the envelope puts AfDB well on the path to meet the expected target of USD 494 million of loans to women SMEs in Africa.

I. SUMMARY PROJECT INFORMATION

PROJECT/PROGRAM NAME

Affirmative Finance Action for Women in Africa (AFAWA)

PROJECT/PROGRAM TIMELINE

GC Approval Date	21 May 2019
Project Implementation Start Date	January 2020
Mid Term Review Date (if planned)	N/A
Project Closing Date	30 June 2024

GEOGRAPHIC LOCATION(S)

Central Africa (Chad, Democratic Republic of Congo, Niger); **East Africa** (Burundi, Comoros, Ethiopia, Kenya, Tanzania, Uganda); **North Africa** (Mauritania, Tunisia); **Southern Africa** (Botswana, Mozambique, South Africa, Zambia, Zimbabwe); **West Africa** (Côte d'Ivoire, Mali, Nigeria, Senegal, Sierra Leone)

Mobilization

		ROUND #		
		Approved Amount*	Committed Amount	Disbursed Amount ¹
We-Fi Financing	(A)	61,800,000		
Of which IDA			6,375,000	
Of which FCS**			500,000	
IP Contribution	(B)	337,000,000	49,500,000	
Public sector	(C)	20,800,000		
Private sector	(D)	75,000,000		
Other funds [specify]	(E)			
Total Mobilization (F)= (B+C+D+E)		432,800,000	49,500,000	
Of which IDA			33,000,000	
Of which FCS**			16,500,000	
Total Project Cost (G)= (F+A)		494,600,000	56,375,000	
Leverage	(F/A)	7	7.2	

¹ Amounts committed/approved by Board or relevant committees but not yet disbursed and the will be done project per project through the year 2021 and 2022.

II. IMPLEMENTATION PROGRESS

AfDB AFAWA We-Fi projects are approved individually on a rolling basis based on the amount threshold. Following the approval of AfDB AFAWA We-Fi operational guidelines and procedures manual early in the year, 5 projects have been committed.

- UN Women- Women's Economic Empowerment through Affirmative Procurement Reform in West and Central Africa. USD 4 Million project
- IFC AfDB Women led Staple Food Cooperatives Advisory Project : Cote D'Ivoire - USD 1.5 Million project
- First City Monument Bank (FCMB)-Nigeria USD 17 Million, USD 375,000 Technical Assistance
- WSMEsAfDB/ Mozambique : ENH- USD 16.5 Million Linkar Program: Creating Sustainable Women-Led SMEs in the Oil and Gas Sector)- USD 500,000
- Banque pour le Commerce et l'Industrie (BCI) Mauritania- USD 16 Million, USD 500,000 technical assistance including to subsidiaries in Mali and Senegal

Round	Project/Program Name	Implementation Start Date	Commitment End Date	Supervision End Date	Countries (with active projects)
2	Banque pour le Commerce et l'Industrie (BCI) Mauritania	June 2021	June 2025	June 2028	TA for Mauritania, Mali, Senegal
2	Linkar Program Mozambique Women in Business in the Oil and Gas supply Chain impacting 500 WSMEs	June 2021	June 2025	June 2028	Mozambique
2	Women's Economic Empowerment through Affirmative Procurement Reform in West Africa	June 2021	April 2024	April 2027	Nigeria, Senegal, Cote D'Ivoire and Mali
2	IFC AfDB Women Led Staple Food Cooperatives Advisory Project, Cote d'Ivoire	June 2021	May 2024	May 2027	Cote D'Ivoire
2	First City Monument Bank (FCMB)-Nigeria	June 2021	June 2024	June 2027	Nigeria

A. KNOWLEDGE AND THOUGHT LEADERSHIP

Women's Access to Finance Baseline study: As part of its AFAWA Program AfDB has since January been working on assessing the actual size of the formal women SME market by conducting a baseline study that will help strengthen the business case of increasing access to finance for Women entrepreneurs in Africa. The study also looks at the Non-Financial Services needs beyond financial literacy and business managerial services. In this first phase, the Baseline study covers 16 markets including **Côte d'Ivoire, Burkina Faso, Nigeria, Ghana, Benin, Niger, Togo, Morocco, Cameroon, DRC, Kenya, Rwanda, Tanzania, Angola, Zambia and South Africa**. The report will be published in the fall of 2021.

The baseline study highlights the findings from primary research, stakeholder consultations and a survey conducted over 800 women-led businesses on risk sharing mechanisms as an alternative guarantee source and a tool to unlock financing for women SMEs. The baseline also maps the women SME landscape and baseline in 16 countries, as well as their behavior and access to financial services. The baseline study also zeroes in on the enabling environment challenges and key regulations to be adopted to further facilitate the uptake of blended finance and more specifically risk sharing facilities as mechanisms to increase loans to women SMEs. In the area of non-financial challenges, the baseline study reveals that accounting for issues of safety and harassment that are unique to women SMEs have to be made part and parcel of program for women SMEs.

Best Practice Case Studies on Financial Inclusion for Women SMEs in Africa: As part of its efforts to enhance the enabling environment for Women SMEs, AfDB in collaboration with the Alliance for Financial Inclusion (AFI) has conducted Best Practice countries case studies on Financial Inclusion for Women SMEs in 7 countries including **the Democratic Republic of Congo (DRC), Morocco, Nigeria, Rwanda, Senegal, Zambia and Zimbabwe**. The case studies take stock and examine financial inclusion related policies and regulations, their implementation, the barriers that remain, the opportunities, as well as potential ways forward for each of the countries.

The case studies underline each country's unique financial inclusion journey in regard to increasing the financial inclusion of women entrepreneurs. For instance, Rwanda and Zambia are making the most of sex-disaggregated data and available underlying audit tools and frameworks in their efforts to advancing the enabling environment for women SMEs. Meanwhile, Zimbabwe focuses on the improvement of the supply side of financial services dedicated to women entrepreneurs, through the development of a financial institution fully dedicated to women. Senegal and Morocco are tackling the gender financial inclusion gap by addressing the larger issue of women's social and economic empowerment in society. Nigeria has chosen to strengthen its approach to women's financial inclusion by creating a framework dedicated exclusively to women. DRC has chosen to focus on financial education of girls and women entrepreneurs, and collection of sex-disaggregated data to inform development of products targeted at women's entrepreneurs. All of the selected members but the DRC have developed a National Financial Inclusion Strategy (NFIS) to foster financial inclusion and have included women as a specific target in their NFIS, either directly or indirectly.

Despite the many efforts made, the best practice countries are still far away from bridging the access to finance gap for women SMEs and reaching high financial inclusion levels.

The key recommendations emanating from the 7 case studies underline the importance of harmonizing the definition and measurement of financial inclusion, requiring sex disaggregated data from government and private sector players to better design tailored policies and services to women entrepreneurs, but

also track progress, the necessity to tackle social and cultural norms, the need for regulators to leverage the potential of digital financial services to reach out to women; and the importance of following up on the implementation on passed financial inclusion reforms.

The ultimate aim of the case studies is to support peer-to-peer engagement and learning, and to inform future policy actions at the national level. Once published these case studies will inform some of the AFAWA We-Fi program policy work.

B. KEY CHALLENGES AND LESSONS LEARNED

Although the 1st tranche of We-Fi funds were received in May of 2020, AfDB has committed the first 5 projects in June 2021 due to the following reasons:

- **Internal Governance Procedures:** As We-Fi resources comprises both grant making and investments components, the funds could not be channeled through the existing AfDB instruments, and a special account had to be created. New operational guidelines and a procedures manual for the utilization of We-Fi funds and project implementation had to be prepared and processed through the different governing committees of AfDB. The process took several months, impacting the implementation timeline originally provided. The operational guidelines and procedures manual were approved **January 2021**.
- **The Covid-19 Pandemic:** Covid-19 had a significant impact on AfDB's private sector pipeline, which also planned to leverage the We-Fi resources for those with a Women's Access to Finance component. Due to the pandemic, the AfDB's investments for 2021 were deferred and funding was redirected to the emergency Covid Response Facility (CRF) to assist AfDB member countries in coping with the crisis. However, to make up for the missed investments in the private sector and to acknowledge the role that WSMEs have to play as key drivers of the continent's economic recovery, **AfDB has added an additional USD 150 million to its already approved USD 200 million allocation for investments towards WSMEs especially for 2021 through 2022. This brings the total investment envelop for women SMEs for 2021 through 2022 to USD 350 million, representing over 70% of the total mobilization target of USD 494 million for the AfDB-We-Fi program.**

The challenges on Implementation/Disbursement

- More IDA and FCS countries are showing interest in leveraging the Bank's We-Fi facility to increase access to finance for women SMEs. The initial 22 countries as approved in the AfDB proposal continues to limit faster disbursements to other potential countries. Thus, AfDB is requesting to leverage We-Fi across the continent prioritizing IDA and FCS countries and without changing the allocation to middle income countries.
- Moving forward, it will be important to train Risk officers on We-Fi for an even better utilization of the RSM component of the We-Fi funds received.
- The Bank procedures from commitment to disbursement on Investments can be lengthy and impact loans. To gain time, the technical assistance component of AfDB's AFAWA transaction will be frontloaded thus enabling quicker results.

III. . IMPACT AND PROGRESS TOWARDS MEETING WE-FI TARGETS

The program as approved in 2019 envisages to directly reach 40,000 WSMEs and generate approximately 28,000 direct jobs.

Aggregate Indicator	Unit of Measure	Baseline	Year 1 ² 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	Total
Indicator One: Total number of WSMEs benefiting from the program	Number	0	500	7,500	12,000	12,000	8,000	40,000³
Indicator Two: Number of direct jobs (rural and urban), disaggregated by sex, created by women owned-led SMEs (We-Fi Indicator 12)	Number	0	-	6,000	6,000	8,000	8,000	28,000⁴

The targets per year once new timelines requested for consideration by the We-Fi governing council

Aggregate Indicator	Unit of Measure	Baseline	Year 1 ⁵ 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	Year 6 2026	Year 7 2027	Year 8 2028	Total
Indicator One: Total number of WSMEs benefiting from the program	Number	0		5,000	5,000	6,000	6,000	6,000	6,000	6,000	40,000
Indicator Two: Number of direct jobs (rural and urban), disaggregated by sex, created by women owned-led SMEs (We-Fi Indicator 12)	Number	0	-	3,000	3,500	4,000	4,500	4,500	4,500	4,000	28,000

² Given that implementation commences in 2021, the number of jobs created is anticipated to be reported from 2022

³ It is estimated that approximately 39,100 WSMEs in seventeen countries and 900 WSMEs (225 in each of Burundi, Comoros, Chad and Niger) will be reached (over 5 years).

⁴ This assumption is based on AfDB historical lines of credits and guarantees extended to FIs/NBFIs that each USD 1 million investment creates at least 83 jobs (over 5 years).

⁵ Given that implementation commences in 2021, the number of jobs created is anticipated to be reported from 2022

AfDB's Request to the We-Fi Governing Committee

In light of the administrative processing time incurred due to the operationalization of the We-Fi initiative within the institution, AfDB requests the We-Fi Governing Committee to consider and approve the following:

- 1- **The extension to all countries in Africa with priority to all IDA/FCS countries, and no change to middle income percentages.**
- 2- **Allow the extension of AfDB's We-Fi program to June 30th 2026 instead of June 2024. 2026 will be the last year for project commitment. This will be commitment end date**
- 3- **As the original proposal did not include an impact evaluation, AfDB would like to request addition of a period of 2 years to the timeline to allow for the collection and analysis of results especially with the addition of the countries not originally part of the proposal.**

With this discretion The target results of unlocking \$494 Million and reaching 40,000 WSMEs as approved in the AfDB We-Fi funding proposal by the GC would remain unchanged. (See summary table below).

GC Approval Date	May 2019		
Project Implementation Start Date	January 2020	Revised Project Implementation start date	June 2021
Mid Term Review Date (if planned)			June 2024
Commitment end date	June 30 2024	Revised Project Closing Date	30 June 2026
Results collection period			July 2026 – June 2028

IV. PLANS FOR NEXT YEAR

Following are the list of Projects expected to be approved for next year:

Women-led SME COVID Response Platform (WCRP)

Women-led SME COVID response Platform (WCRP or “the Platform”) is a USD 21.75 Million blended finance 3-year response program to be deployed via Partner Financial Institutions (PFIs) to reach underserved Women-led MSMEs and provide capacity building and short-term loans to build resilience to survive the current COVID-19 crisis and set them up for the new normal economy. The WCRP intends to:

- (1) Reduce COVID-19's devastation on WSMEs in West and East Africa and make them more resilient to future economic shocks through the provision of technical assistance and finance;
- (2) pilot interventions to overcome constraints to WSMEs' growth, and

(3) Leverage concessional finance to support WSMEs in a subsequent phase.

In order to immediately remediate the impact of COVID on both PFIs' ability to lend to WSMEs and the WSMEs themselves, the Bank is solicited to provide the WCRP initially with USD 4.2 Million of technical assistance from its We-Fi resources. This request is expected to be enhanced down the line by a request for subordinated debt funding, which will unlock the USD10 Million that is already committed by DFC as well as senior debt from the Bank. AfDB/ Women-led SME COVID response Platform (WCRP or "the Platform") is a blended finance 3-year response program to be deployed via Partner Financial Institutions (PFIs) to reach Women-led MSMEs and provide capacity building and short-term loans to build resilience to sustain the current COVID-19 crisis and set them up for the new normal economy. The project will leverage USD 8.5 million of We-Fi funds and is expected to reach 10,000 women small businesses.

Fashionomics Africa -Creating Jobs and Growing Fashion WSMEs in the Creative Industries

The Fashionomics Africa Technical Assistance Platform ("FTAP" or "the Platform") is a 5-year program that enables growth of women and youth-led SMEs operating in the Cultural & Creative Industries (CCIs), including those in the Fashion subsets of Textile, Apparel and Accessories industries (TA&As). The objective of Fashionomics Africa is to support the growth of these MSMEs by facilitating access to markets and finance, while providing market intelligence and building managerial capacity. The platform includes a TA Component, which is the focus of this TAR, of approx. USD 5.8 Million funded by We-Fi; FAPA; TSF; YEI-MDTF and CreatiFI (This are Trust Funds at AfDB). We-Fi funds will support the following components:

- 1) Access to Markets Component: (i) Support 1,000 fashion entrepreneurs and WMSMEs in accessing regional and international markets through the Fashionomics Africa digital marketplace and App in partnership with DHL, and (ii) through dedicated online and physical tradeshows to foster market linkages for the target group.
- 2) Capacity Building of Stakeholders: (i) Support 3,000 fashion WMSMEs in building their capacity on business, technical, and key IT skills to enhance local, regional and global and web presence of fashion MSMEs, through the Fashionomics Africa Masterclasses (cohorts will be divided into incubation and accelerator programs depending on their stage of maturity) delivered both online and in person. The Masterclasses will culminate in 'Pitching Days' competitions where the winners will access to a cash prize;
- 3) Access to Market Intelligence Component: By developing market studies, online surveys and stakeholders' databases to collect primary data for the sector that will be accessible to registered users via the Fashionomics Africa Digital Marketplace and App.

The following Transactions are also expected to be approved between October 2021 and June 2022

- a. NSIA Bank Cote d'Ivoire USD 19 Million +TA 500,000
- b. CRDB Tanzania USD 10 million + TA 200,000
- c. Norsad Botswana USD 30 Million +TA TBD
- d. ETG – 3 million TA women in the Value Chain
- e. Ecobank Group- USD 70 Million and TA amount USD 3 million

Business development activities are ongoing notably with Fintech players.

ANNEX I. IMPLEMENTING PARTNER WE-FI TEAM

Key Program Management Contact Person(s)

Name	Esther Dassanou	Title	Manager, AFAWA
Email	M.dassanou@afdb.org	Phone	+225 27 2028 4121

Name	Benard Chitunga	Title	Senior Officer, AFAWA
Email	b.chitunga@afdb.org	Phone	+225 0575753239

Communications Contact Person

Name	Alphonso Van Marsh	Title	Principal Digital Content and Events Officer
Email	a.vanmarsh@afdb.org	Phone	+225 072026 5402

M&E and Results Contact Person

Name	Atupele Mwakalinga	Title	Monitoring and Evaluation Expert
Email	a.mwakalinga@afdb.org	Phone	+255784703975

ANNEX II. FUNDING AND BUDGET INFORMATION

A. Status of We-Fi Funding

B. Status of funding disbursements. B. Types of Activities Funded

Sources of financing	We-Fi Allocation	IP Approved Amount*	Committed Amount	Disbursed Amount
Investment activities				
Access to finance	30,000,000	350,000,000		-
Technical Assistance/Advisory Activities	16,875,191	-	1,375,000	-
Research, M&E, Evaluations	-	-	-	-
Special Initiatives	10,881,818	-	5,500,000	-
Fees	4,042,991	-	-	-
Total	61,800,000	350,000,000	6,875,000	-

Funding Categories	Committed Amount
	Round #
Investment Activities	
Technical Assistance/Advisory Activities	6,875,000
WSME Capacity Building	
Grants to WSMEs	
Research, M&E and Evaluations	
IP Fees	481,250
Total	7,356,250

Budget update for the reporting period⁶.

Cost and Budgeting Table			
Budget Categories	Amount (We-Fi)	Amount (Non-We-Fi)	Amount Total
Investment Activities			
Component 1: Improving access to finance	30,000,000	350,000,000	350,000,000
Advisory/Technical Assistance Activities			
Component 2: Capacity Building	8,700,000	7,000,000	15,700,000
Component 3: Enabling Environment	8,175,191	7,300,000	15,475,191
Component 4: Special Initiatives	10,881,818	16,500,000	27,381,818
Administrative Fee	4,042,991	-	4,042,991
Total	61,800,000	420,800,000	482,600,000

A. Status of We-Fi Funding

Budget Categories	ROUND # 2			
	Approved Amount	Revised Amount (if applicable)	Committed Amount	Disbursed Amount

⁶ The Budget is as approved by the GC in the original proposal and there are no changes.

Investment Activities		n/a		
Component 1: Improving access to finance	30,000,000	n/a		
Advisory/Technical Assistance Activities		n/a		
Component 2: Capacity Building	8,700,000	n/a	1,375,000	
Component 3: Enabling Environment	8,175,191	n/a		
Component 4: Special Initiatives	10,881,818	n/a	5,500,000	
Administrative Fee	4,042,991	n/a	481,250	
Total Budget	61,800,000	n/a	7,356,250	

ANNEX III. WSME DEFINITIONS

The main beneficiaries of AfDB We-Fi are WSMEs, who are currently underserved by the traditional financial ecosystem. In the targeted countries, there is no universally accepted definition of WSMEs, as countries define SMEs differently depending on their level of development. However, for the purposes of We-Fi funding, the Bank will use the IFC's definition, which defines WSMEs as being registered with 51 percent-plus women's ownership, or with 25-50 percent women's ownership in a business, or having a woman chief executive officer or chief operating officer, and more than 30 percent of board of directors that are women.

ANNEX IV. PROJECT-LEVEL SUMMARIES

UN Women- Women's Economic Empowerment through Affirmative Procurement Reform in West and Central Africa. \$ 4 Million project impacting 1360 WSMEs.

Project Description:	AfDB, Affirmative Finance Action for Women in Africa will through UN Women as an Implementing partner support women's economic empowerment through enhanced opportunities of women-led businesses in four countries in West Africa to access public and private procurement. Project includes policy reform, institutional strengthening of public sector institutions to adopt and implement affirmative procurement provisions; advocacy to support private sector adoption of gender responsive supply chain practices, and capacity strengthening of 1360 women owned businesses to access procurement opportunities and more than 300 government officials trained on Affirmative procurement. The project also includes specific activities to support the delivery of gender responsive procurement initiatives in the context of COVID19 response in the region.
Client:	UN WOMEN
Cost Structure and Financing Plan:	USD 4 million. 9% of the funds earmarked for operational costs and 91% for programmatic activities, including: 2.4 million to regional affirmative procurement reform; and 1.6 million to gender responsive procurement as part of the COVID-19 response.
Bank's Role:	The Bank through AFAWA will have a supervisory role to ensure fulfillment of reporting and fiduciary requirements by the Recipient. The Bank will also closely monitor & evaluate the project results and impact. The Bank will also play a facilitation role in engaging actively various stakeholders including governments as well as civil society to ensure that the objectives of the project are met.

Implementation Arrangements:	<p>The project will be implemented by UN Women Regional office for West and Central Africa and UN Women's Country Offices in Nigeria, Mali, Senegal, and Cote d'Ivoire. The responsibilities of UN Women will include but not limited to hiring of consultants/experts; supervision of consultants/experts; reporting to the Bank as regards project activities; day-to-day project administration; etc. Regional office which will supervise the project implementation at UN Women's Regional activities (e.g., targeting ECOWAS) as well as quality assurance, communications and knowledge management will be assured by UN Women's Regional Office for West and Central Africa. In the four countries, the project will be carried out through the various implementation modalities available to UN Women, in partnership with relevant government ministries, departments and agencies as well as research institutions.</p>
Implementing Partner:	<p>UN Women is the UN agency to promote Gender Equality and Women's Empowerment. As such, it has a normative mandate and accumulated expertise promoting policy reform to support Gender Equality and Women's Empowerment. Supporting women entrepreneurship is one of the three strategic areas of its work on women's economic empowerment. At the global level, UN Women has developed a global flagship Programme on "Stimulating Equal Opportunities for Women Entrepreneurs through Affirmative Procurement, Investment and Supply Chain Policies", which is being implemented in a number of countries in the world. Globally and regionally, the institution has high-quality expertise in this field which will support the implementation of the project.</p> <p>UN Women has Country Offices in all countries where the program will be operated and well-established relationships with women-led businesses organizations and women led SMEs through a number of programmes at the country level. It also has well-established relationships with national governments and regional institutions which will be leveraged for this project. UN Women, in collaboration with the UN Global Compact, has developed the Women Empowerment Principles, a code of conduct to promote good practices to achieve gender equality at the corporate level. Principle number 5 focuses on gender responsive supply chains. The principles, signed by more than 3000 companies around the world are accompanied by tools to support companies technically in the adoption of good practices, from which this project will also benefit. It is also worth mentioning that the Bank has a MOU with UN WOMEN (2021 – 2025).</p>
Strategic Alignment:	<p>The project is in line with The Banks Ten-year strategy in achieving inclusive growth for Africa , objective of the Bank's High 5, namely improve the living conditions of the people in Africa .The project will contribute to women's economic empowerment by strengthening equal opportunities to access procurement and strengthening the capacity of women led businesses. This is in alignment with new gender strategy 2021 to 2026 on Women Economic empowerment. Moreover, This aligns with the strategic priorities of UN Women and will directly contribute to the achievement of SDG 5 : Gender Equality. The project also supports the African Union's strategic goals normative mandate and Agenda 2063: enabling legal and policy environment" by not only aiming to providing an enabling environment for women to work and be financially independent but also enhance the capacities of government officials so they have they can formulate and implement gender responsive policies. This project is in line with the Banks MOU with UN WOMEN (2021 – 2025). Specially, this project is aligned with the We-Fi principles. It supports capacity strengthening and reform to improve women-led businesses access to market opportunities provided by procurement. It will tackle financial and non-financial constraints faced by WSMEs in West Africa.</p>
Development Outcomes:	<p>The project will contribute to women's economic empowerment by strengthening equal opportunities to access procurement and strengthening the capacity of women-owned/led businesses, directly contributing to the achievement of SDG 5 Gender Equality by reaching more than 1360 Women SMEs. The project also supports the African Union's strategic goals under Agenda 2063: enabling legal and policy environment" by not only aiming to providing an enabling</p>

	environment for women to work and be financially independent but also enhance the capacities of government officials to formulate and implement better gender responsive policies.
Additionality and Complementarity:	<p>The Bank's unique convening power with African governments and civil society together with the Implementing partner UN Women's strong track record in working the four countries' governments will be critical in the implementation of the project. The project builds on existing interventions in the area of affirmative procurement in West Africa. Research on structural barriers to access procurement opportunities by women-led businesses have been conducted in Senegal, Nigeria, Kenya and South Africa. In Senegal, UN Women is working with the World Bank in the implementation of the "Creating Markets Through Affirmative Procurement for Women in Senegal" project which seeks to promote the growth of women-owned SMEs. When the Covid pandemic hit, UN Women facilitated the implementation of affirmative procurement initiatives for governments in several countries. The project will capitalize on the lessons learnt and best practices of these initiatives for a successful implementation. While some initiatives to promote affirmative procurement are underway at the country level in West Africa, this project is additional through its regional approach, including through regional level advocacy before ECOWAS and peer learning across-countries that a regional initiative will facilitate.</p>

IFC AfDB Women led Staple Food Cooperatives Advisory Project : Cote D'Ivoire - \$ 1.5 Million project impacting 250 Co-operatives/WSMES

Project Description:	<p>The proposal is for a USD 1, 500,000 non-reimbursable We-Fi grant to empower Stable food cooperatives in the agriculture sector in Cote D'Ivoire. The project envisages to address the regulatory and institutional challenges hampering women-led cooperatives ability to operate and grow successfully as well as enhance their opportunities to access markets leveraging platforms. Interventions are aimed to create a stronger and more inclusive enabling business environment for the women-led cooperatives to become more productive, access finance and markets through harmonized national and regional policies, regulations or mechanism. Specifically, the project objectives include:</p> <ol style="list-style-type: none"> 1. improving their business environment through the revision of policies at regulatory levels impacting their ability to operate and trade successfully 2. enhancing their ability to access markets through the <i>Buy From Women</i> platform a digital marketplace; and access to knowledge sharing events at regional and international agriculture and staple food events /activities to encourage and develop access to markets.
Target group	The program targets 322 women-led cooperatives in Cote d'Ivoire over a period of 3 years.
Client	UN Women Cote D'Ivoire Country Office.
Cost Structure and Financing Plan:	<p>The core total program budget is US\$ 1.5 m:</p> <p>The Bank's project components have been budgeted at USD 1.5 million and will be funded through the Women Entrepreneurship Finance Initiative (We-Fi)</p>
Bank's Role:	<p>The AfDB through AFAWA will play a key role in the oversight of project implementation. UN Women Cote D'Ivoire will be the implementing partner. The Bank will also closely monitor & evaluate the project results and impact. Specifically, the Bank through AFAWA will lead on the knowledge management pieces of the project including results monitoring and collecting lessons learned for future interventions. Lastly, the Bank will play a facilitation role in engaging actively various stakeholders including the staple crop cooperative organizations, regional and national decision-making bodies as well as civil society to ensure that the objectives of the project are met.</p>
Implementation Arrangements:	<p>The project will be implemented by UN Women Cote d'Ivoire office as grant recipient which is responsible for timely and quality reporting to the AFAWA Secretariat as per the terms of the grant agreement. The responsibilities of UN Women will include but not limited to: establishing the Project Implementation Unit (PIU), hiring of consultants/experts as members of the PIU; supervision of the PIU activities and deliverables; monitoring the results while reporting to the Bank by submitting narrative progress and financial quarterly reports as regards i) implemented activities and technical performance of the project against the work Programme and implementation schedule ii) the procurement plan⁷ and the results-based framework along with financial reports containing the status of budget execution in accordance with the project document including all relevant supporting documentation for day-to-day project administration; etc.</p> <p>The Bank through AFAWA will supervise the project implementation and the proper management of project resources in alignment with Bank's rules as well as ensure regular monitoring and quality assurance, communications and knowledge management. Regular meetings</p>

⁷ The procurement plan shall specify (i) the contracts for goods, works and/or services required to carry out the project, (ii) the proposed methods for procurement of such contracts, (iii) the related WeFi review procedures (prior or post); and the proposed timeline of procurement activities. UN Women shall update the Procurement Plan annually or as needed throughout the duration of the project. Any revisions proposed to the approved procurement plan shall be submitted to the Bank for prior approval.

	and supervision missions will be conducted by the Bank to ensure proper execution and in order to address any potential problems encountered in the project implementation.
Market:	The Cote D'Ivoire economy has expanded by an average of 8% per year since 2011, making Côte d'Ivoire one of the fastest growing countries in the world. However, the country's GDP growth has gradually declined from 10.1% in 2012 to 7.7% in 2017 and 7.4% in 2018. The COVID-19 crisis could lower this number significantly in 2020 and beyond. Hence, the country is facing the dual challenge of maintaining a rapid growth rate while making this growth more inclusive (poverty remains high at 46.3%) and reducing fiscal imbalances. The fragmentation of the supply and demand for products of the Professional Agricultural Organizations (PAO) of the food-producing sub-sector of Côte d'Ivoire and their organizational weaknesses are among the main constraints that hinder the financing of their activities. In terms of funding structures, among other realities including: - financial institutions tend to focus on the least risky client segments and more profitable markets; - there is insufficient knowledge of the agricultural sector and a lack of knowhow to address its specificities, manage risks and adapt products; accordingly, as well as a mainly short-term resource allocation strategy which does not always meet the financing needs expressed by women staple crop farmers.
Strategic Alignment:	The proposed activity is in line with the Bank's overall priorities and those of the latest Country Strategy Paper (2018-2022) for Cote d'Ivoire, especially Pillar 2 which aims at increasing the range of agro-industrial transformation processes in promising sectors, with a view to diversifying the sources of growth of the Ivorian economy and making it more inclusive. In addition, this project is in line with The Banks Ten-year strategy in achieving inclusive growth for Africa, two objectives of the Bank's High 5, namely, to feed Africa, and improve the living conditions of the people in Africa. The We-Fi resources are targeted to achieve women friendly business reforms which will ultimately aid women SMEs active in agriculture, and agribusiness. This project will help strengthen women staple crop farmers in Cote d'Ivoire's and improve access to finance for the underserved. It is thus in line with the private sector development strategy 2013-2017, extended until 2020, in particular the resulting financial sector development strategy (2014-2019, currently being revised). The proposed project remains relevant with the first pillar of the Bank's Gender strategy on economic empowerment and support to women's access to services, resources and markets, The Sustainable Development Goals (SDG); and The AFAWA's Focus areas such as i) Facilitating Access to Finance; ii) Offering Access to Capacity Building and iii) Improving the Business Enabling Environment. The project aligns with the We-Fi objective to improve access to markets and finance for Women-owned/led Small and Medium Enterprises (WSMEs) including cooperatives across the African continent by enabling them to overcome some of the institutional challenges constraining their productivity and growth. By employing a holistic approach, the program will leverage the strength of the Bank and UN Women to provide customized approaches to the governments, financial institutions and WSMEs, as well as contribute to the enhancement of UN Women Buy from Women platform to significantly accelerate the growth and productivity of Women Cooperatives in Cote d'Ivoire. The best practices of the project will be documented to be replicated in other We-Fi African countries.
Development Outcomes:	The Project will lead to a significantly increasing the bankability of the 322 women cooperatives. The Co-operatives will access to credit and markets and as a result growth in the revenues of the targeted women enterprises. The project will also support the Government of Cote D'Ivoire to adopt gender responsive legislation for women in the staple crop sector which can thus benefit staple crop focused women owned/led SMEs and cooperatives. This will raise incomes and lower the cost of staple foods through increased production and favorable regulations and infrastructure.
Additionality and Complementarity :	The Bank's unique convening power with African governments and civil society together with the Implementing partner UNWomen' strong track record in working with Ivorian government on reviewing and reforming discriminatory laws, as well as supporting women's SMEs and BPOs to address the challenges of capacity building and access to profitable markets will significantly enhance the success of the program. Additionally, the Bank through targeted and open dialogue with national and regional decision-making bodies will start a conversation on specific legislation

	to aid the staple crop sector such as the reduction of border processing costs and times for women farmers seeking access to new markets. The Bank will bring its significant advisory services capacity to bear to advise the women's staple cooperatives on the optimal structure and operational practices to increase access to affordable financing.
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WSMEsAfDB/ Mozambique : ENH- Linkar Program: Creating Sustainable Women-Led SMEs in the Oil and Gas Sector)- USD 500,000 impacting 200 WSMEs

<p>Project Description:</p>	<p>The proposal is for a USD 500,000 non-reimbursable We-Fi grant to empower sustainable WEBs in the oil and gas (O&G) sector in Mozambique under the Linkar program. This multi donor-supported program (in collaboration with FAPA and YEI MDTF) will create a Business Enabling Environment ('BEE'), provide dedicated capacity building, address access to market & financing constraints, and provide opportunities to develop WEBs' participation in this sector</p> <p>The Linkar program was started by ENH—a government-owned entity with a significant controlling stake in the O&G activities. The program's core vision is to contribute to economic transformation in Mozambique by stimulating and enabling productive SME linkages with the evolving oil & gas companies to multiply the broader national benefits from the country's oil & gas investments. Linkar Program is committed to leverage Mozambique's gas resources to drive broader economic growth and create sustainable local jobs. In recognition of the critical role that Mozambican SMEs can play in this effort, ENH has designed the Linkar program to contribute to this goal. ENH has held several local content consultation events with stakeholders since 2017. Feedback from these events highlighted the following as key barriers to local community participation in the O&G industry. (i) High technical standards required by the industry (ii) Lack of track record in the sector and (iii) Lack of financial support for the execution of the contracts.</p> <p>The Linkar Program incorporates international best practice and provides high impact interventions delivered via five inter-linked Components, from which Project Management is a support function and AfDB will support the first phase of the program:</p> <ul style="list-style-type: none"> ✓ Component 4: Contract Connector Link: promotion of B2B linkages and networking to help match SMEs to contracts, facilitate smart partnership opportunities, and support SMEs to navigate buyer company procurement and tendering processes and access contracts in gas value chains and associated infrastructure projects. ✓ Component 3: SME Competitiveness Link: supports the development of competitive and innovative SMEs in priority sectors such as manufacturing and construction by working with target SMEs to identify innovative solutions to address gaps limiting their competitiveness to access relevant work scopes, contracts, and partnerships opportunities identified in Component 2. Provides SMEs with a combination of mentorship, technical advisory, and access to finance; ✓ Component 2: Opportunity Aggregator Link: support the delivery of robust supply/ demand diagnostics and stakeholder coordination to identify and define SME partnership and contracting opportunities (of value sub-US\$1m) associated directly with oil & gas sector developments as well as indirectly with the additional 'enabling' infrastructure investments required to enable industrial connectivity and address bottlenecks; ✓ Component 1: Institutional Support to ENH: supports activities aimed at improving ENH's capabilities and activities to provide ENH with a strategic direction as well as operational guidance
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	<p>to allow successful delivery of the Linkar Program. More specifically, the component will support activities such as the strategic and stakeholder engagement plan, the program policy, the rules, and guidelines manual, the marketing and communication plan (including web portal program development, flyers, brochures); the SME supplier database development, workshops for stakeholders institutional promotion engagement, program policy, gender policies, training, and capacity building of the PMU staff (project management, procurement, finance, M&E, environmental and social sustainability, etc.); and</p> <p>✓ Component 0: Project Management: supports the cost associated with the hiring of an external project manager, AfDB requirements such as an independent evaluation and auditing activities, and other miscellaneous expenses that may arise during the implementation of the Linkar Program;</p>																																																																
WE-FI Role and Alignment:	<p>The project aligns with the We-Fi ecosystem approach of removing barriers to women empowered businesses in accessing opportunities in the O&G sector. The project will address constraints and opportunities related to market access, finance, capacity, and the business enabling environment.</p> <p>The project will work towards ensuring gender mainstreaming in its SME capacity building process. Special attention will be given to gender considerations with a target of 30% of women in business when selecting SMEs to participate in the Linkar program. The program is aligned with AFAWA's objectives such as:</p> <p>✓ Improving Access to Finance; through facilitating funding opportunities for the WEBs with partnering financial institutions like BCI, Standard Bank, and ABSA.</p> <p>✓ Technical Assistance: To improve the WEBs investment readiness, offer matchmaking opportunities to improve access to markets, networks, and contracts and</p> <p>✓ Improving the Business Enabling Environment: through developing a comprehensive program for increased supply chain diversity</p>																																																																
Cost Structure and Financing Plan:	<p>The core total program budget is US\$ 16.5 m splits into the following phases:</p> <p>➤ Phase 1: The initial 3-year foundation program for which a core program budget of US\$ 5.5 m is required; and</p> <p>➤ Phase 2: The ramp-up phase of 5 years, for which a core program budget of US\$ 11 m is required.</p> <p>In the first instance, the Linkar program is securing financing for Phase 1. Financing for Phase 2 will be established towards the end of Phase 1. The AFAWA and FAPA resources will support the four Link Components as well as the Project Management component, below:</p> <table><tr><td></td><td></td><td></td><td>100%</td><td>63.9%</td><td>32.0%</td><td>3.5%</td><td>0.6%</td></tr><tr><td>Pilar</td><td>Components</td><td>%</td><td>Total</td><td>FAPA</td><td>AFAWA</td><td>ENH</td><td>SME's</td></tr><tr><td>4</td><td>Contract Connector Link</td><td>22%</td><td>350,000</td><td>250,000</td><td>100,000</td><td>-</td><td>-</td></tr><tr><td>3</td><td>SME Competitiveness Link</td><td>39%</td><td>610,000</td><td>400,000</td><td>200,000</td><td>-</td><td>10,000</td></tr><tr><td>2</td><td>Opportunity Aggregator Link</td><td>18%</td><td>274,000</td><td>174,000</td><td>100,000</td><td>-</td><td>-</td></tr><tr><td>1</td><td>Institutional Support</td><td>11%</td><td>179,686</td><td>75,000</td><td>50,000</td><td>54,686</td><td></td></tr><tr><td>0</td><td>Project Management</td><td>10%</td><td>150,000</td><td>100,000</td><td>50,000</td><td>-</td><td>-</td></tr><tr><td></td><td>TOTAL</td><td>100%</td><td>1,563,686</td><td>999,000</td><td>500,000</td><td>54,686</td><td>10,000</td></tr></table> <p>Note Additional Funding of US \$950,000 through the YEI MDTF will be provided to another Institution, the SME Institute (IPEME), for a linkage program targeting the youth and women in business, Micro and Start-Up, therefore, some of the activities will be coordinated between both implementing agencies. Besides, ENH is looking to get the additional US \$4 million with other donors such as the Islamic Development Bank, The Camoes (under the Lusophone Compact), USAID, etc.</p>				100%	63.9%	32.0%	3.5%	0.6%	Pilar	Components	%	Total	FAPA	AFAWA	ENH	SME's	4	Contract Connector Link	22%	350,000	250,000	100,000	-	-	3	SME Competitiveness Link	39%	610,000	400,000	200,000	-	10,000	2	Opportunity Aggregator Link	18%	274,000	174,000	100,000	-	-	1	Institutional Support	11%	179,686	75,000	50,000	54,686		0	Project Management	10%	150,000	100,000	50,000	-	-		TOTAL	100%	1,563,686	999,000	500,000	54,686	10,000
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Bank's Role:	The Bank will provide a USD 500,000 non-reimbursable We-Fi grant to support the program components in creating a sustainable WEBS supply Chain in the oil and gas sector. Through this program and funding the Bank is bridging the gap between the supply and demand of goods and services in Oil and Gas value chain by providing a full package of market information, training, and capacity-building programs, including access to finance and matchmaking opportunities between local SME's and large International Oil companies with special emphasis in Women in business (WEBS).
Implementation Arrangements:	<p>ENH will execute the project through a Project Implementation unit (PMU) and will provide for a project office to work as a business linkage center as well as staff allocated. This will be a base for conducting all logistics in connection with the Linkar Program and a platform to advance the interests of the SMEs with relevant partners.</p> <p>To ensure complementarity with the Mozambican SME development ecosystem, the Executing Agency will collaborate with and deliver Component interventions through existing programs that are assessed to be effective and impactful. For example, the Executing Agency may seek to co-design SME certification interventions with Instituto Nacional de Normalização e Qualidade (INNOQ), FAN Foundation and Associação de Comércio, Indústria e Serviços (ACIS)). Similarly, LinKar will opt-into an existing supplier database, which will be selected following an assessment of supplier databases during the mobilization phase. Key potential partners include:</p> <ul style="list-style-type: none"> ✓ Component 2: Third-party database provider; national think-tanks for sector studies; Business associations such as CTA, CCM, ANJE, Frutisul, ACIS, FEMME, etc. ✓ Component 3: effective SME development programs (e.g. FAN foundation, ABSA, IPEME); certification providers (e.g. INNOQ); Expert advisory partners. Also, the banks will be closely involved to review the business plans and based on their risk assessment, provide financial support (funds 'blended' with donor funds) to eligible/ competitive SMEs using the large companies' contracts as collateral and other risk mitigation instruments. In the particular case of Women in Business, ENH will work closely with the Standard Bank, since this financial institutions through their Business Incubator, has been running a specific program called Lioness of Africa - The Pride Of Africa's Women Entrepreneurs, where women in business have benefited from capacity building, mentorship, and access to finance); ✓ Component 4: ENH subsidiaries; Beluluane Industrial Park; Tier 1-2 contracting companies of the oil & gas industry; expert advisory partners.
Market:	The significant gas discoveries in the Rovuma basin are expected to support one offshore and at least two onshore integrated LNG production facilities, as well as several downstream projects. These downstream developments, considered critical to stimulate industrialization in the country, will only be enabled through the production of the domestic gas obligations from the LNG developments. Based on current forecasts, the sequential scheduling of each project presents an overall picture comprising 10+ years of onshore construction (having already commenced in 2019 with the start of the Mozambique LNG construction project) followed by 30+ years of operations. Considering that the local content potential is far greater during the construction phase, the sustained demand that these consecutive projects have the potential, if well planned, to provide the necessary market drivers and assurances to operators and prime contractors to invest in the gradual development of a domestic workforce and supplier base. Each project would act as a springboard for ever-increasing local content levels on subsequent projects. Importantly, this unusually long construction phase presents a longer-term opportunity for prime contractors and other international suppliers to establish in Mozambique- they can be a building block for more innovative and long-term local content and knowledge transfer efforts.
Strategic Alignment:	<p>The proposed project is aligned with the following Bank's Strategies:</p> <ul style="list-style-type: none"> ✓ The Bank's Ten-Year Strategy (2013-2022). ✓ The Bank's High 5s priorities, notably Light up and power Africa, Feed Africa, Industrialize Africa and Integrate Africa;

	<ul style="list-style-type: none"> ✓ The alignment with the Development Finance Compact for Portuguese-Speaking African Countries initiative – the “Lusophone Compact” ✓ The Bank’s Energy Policy. ✓ The Country Strategy Paper (CSP) for Mozambique (2018-2022); ✓ The Bank’s Private Sector Development Policy and Strategy (2013–2017), extended until 2020; ✓ The Bank’s Policy on Non-Sovereign Operations of 2018, extended until 2022; ✓ The Human Capital Strategy (HCS) 2014-2018, extend up to February 2021; ✓ The Gender Strategy 2021-2025, extended to 2020; ✓ The Jobs for Youth in Africa Strategy 2016-2025; ✓ The Sustainable Development Goals (SDG); and ✓ The AFAWA’s Focus areas such as i) Facilitating Access to Finance; ii) Offering Access to Capacity Building and iii) Improving the Business Enabling Environment.
Development Outcomes:	<p>The AFAWA funds are intended to support Phase 1, for which the following development outcomes (30% is targeting specifically the Women in Business) are expected:</p> <ul style="list-style-type: none"> ✓ The create at least 120 new jobs from SME’s in the oil and gas value chain; ✓ Identify 125 SME appropriate contract opportunities, including 25 partnership and/or JV opportunities, with a total of US\$12 m; ✓ Support 30 SMEs to win US\$ 3 m worth of contracts in the oil & gas value chain; ✓ Facilitate to 30 SME’s access to finance of US\$ 3 m from Financial Institutions; <p>The Linkar Program will be responsible for driving local value and job creation through the expansion of SME business and contracting opportunities derived directly from the evolving oil & gas value chain as well as from associated infrastructure investments required to enable broader economic growth ambitions from the gas developments. It is expected that the enhanced involvement of Mozambican SMEs will drive private sector development, increased competitiveness, supply chain deepening, and sustainable skilled employment in Mozambique. These factors will generate a significant increase in the direct, indirect, and induced economic impact deriving from Mozambique’s upstream natural gas developments.</p>
Additionality and Complementarity:	<p>The AFDB board recommended specifically, during the approval of the Mozambique LNG Area 1 project on 21 November 2019, the need of the incorporating additional components such: policy dialogue/capacity building, domestic industrialization/local linkage, and gender empowerment especially with an emphasis on women in business SME’s through the Affirmative Action for Women in Africa (AFAWA). Therefore, the Bank is uniquely placed to advocate on behalf of gender empowerment directly through the Oil and Gas companies and indirectly through the SME Value chain, by providing technical support and expertise to the women in business which may and will provide goods and services. Finally, the Bank has long last experience and technical capabilities in supporting local SME development programs across the region, through AFAWA, FAPA, YEI MDTF trust funds, and other initiatives.</p>

FCMB NIGERIA – SheVentures Technical Assistance	
Project Description:	A Technical Assistance (TA) request from the Women Entrepreneurs Finance Initiative (We-Fi) for a non-reimbursable grant to enhance FCMB's Non-Financial Services ('NFS') offering to Women Small and Medium Enterprises ("WSMEs"). The TA will center around WSMEs barrier driven non-financial needs that include, increasing financial literacy, business managerial and other entrepreneurial skills, as well as develop a networking program to improve bankability and business productivity of current women entrepreneurs and potential clients. The TA program will enable FCMB to increase its portfolio of women enterprises, while also enhancing the skills of women SMEs benefiting from the Bank's Line of Credit (LoC) of USD 50 million to FCMB, of which 30% of this LoC is targeting Women SMEs. In an effort to scale FCMB's SheVentures women's market program to include women enterprises of all sizes, the TA activities will include: an assessment of the current FCMB financial and non-financial services, a gender mapping exercise which will lead to customized non-financial services packages depending on the profiles of the different WSMEs. Training will also be provided to integrate measurement into program design and delivery as well as align the reporting standards with the AfDB's ADOA reporting template. The NFS will complement FCMB's core financial offering to WSMEs targeting to reach up to 2,000 WSMEs by 2024.
The Client:	FCMB is a full-service universal bank and a Tier 2 deposit taking financial institution in Nigeria. It is a wholly owned subsidiary of the FCMB Group Plc, which was incorporated in Nigeria as a financial holding company in 2012. FCMB Group Plc is a public limited liability company and is listed on the Nigerian Stock Exchange with 100% free float and a diversified shareholder base. FCMB Group comprises seven subsidiaries spread across banking, securities brokerage, asset management, investment banking: trustees services, microfinance and pensions management. Its flagship company, FCMB is a private limited liability company domiciled in Nigeria with two wholly owned subsidiaries, FCMB UK Limited and FCMB SPV Financing Plc. FCMB has approximately 5.1 million customers and 206 branches across Nigeria. As at the end of 2020, around 16% of its loan portfolio was to SMEs with women contributing 8% to the total SME customer portfolio. FCMB's medium term strategy under the SheVentures program aims to grow its women's portfolio by 44% with an increased focus on Non-Financial services, Digital Finance, Innovative financial products, Access to networks and markets. It will achieve this through collaborations and partnerships with DFIs, Fintech firms, women empowerment organizations.
WE-FI Role and Alignment	We-Fi grant resources will be utilized to fund the TA activities and outputs. The project aligns with We-Fi objectives of providing WSMEs with opportunities to scale up access to financial products and services, building capacity and expanding their networks and mentorship; as well as increasing the capacities of financial institutions to address the financial and non-financial needs of women enterprises.
Cost Structure and Financing Plan:	The project's total cost is estimated at USD 175,000. FCMB is expected to provide in kind contribution towards marketing and communicating activities. Furthermore SME.NG in collaboration with FCMB under its 'Sheworkshere' ⁸ accelerator program will train women entrepreneurs for investment readiness and the total cost of this program is USD 75,000.
Bank's Role:	The Bank's role through the AFAWA program is to support the design and implementation of the project through provision of gender equitable financial and technical support aimed at enhancing the supply of finance to WSMEs with FCMB.
Implementation Arrangements:	The executing agency is FCMB. Although FCMB through its SheVentures team will be responsible for the hiring and day to day oversight of the consultants working on the project, it will work closely with the Bank's AFAWA team on the design and implementation plan including the review of the consultants terms of reference for the program. On a quarterly basis both teams will meet to discuss progress and adjustments wherever necessary. The implementation period of the TA project will be twenty-four months. The Bank and FCMB will sign a grant agreement, which will

	govern the use of proceeds, disbursement triggers, reporting requirements, which shall include but not limited to financial performance, development outcomes as well as environmental and social compliance.
Market:	<p>Small and Medium Sized Enterprises (SMEs) are key contributors to the local Nigerian economy and key drivers of job creation in critical sectors such as manufacturing, renewable energy and agribusiness as well as to private sector contribution to economic growth. Several reports indicate that the estimated number of women MSMEs in Nigeria is 5.7 million out of which close to 700,000 are formal and within the formal segment, the majority are micro women enterprises and about 1,800,000 are small and medium enterprises of which 9,490 are women. Only 2% of women SMEs have access to capital and loans to grow their businesses. The unmet credit demand for formal WSMEs is estimated US\$ 18 billion. Women are constrained by lower access to productive resources including finance.</p> <p>Women-owned enterprises are an untapped growth opportunity for financial institutions in Nigeria and addressing their needs can unlock tremendous growth potential. Small businesses need more than just finance. Training, mentoring, networking, and other non-financial services can give entrepreneurs a vital leg up. For women-owned enterprises, the benefits of these non-financial services can be particularly profound, helping them to overcome systemic barriers that limit their access to finance and markets. Non-financial services have become more mainstream and far more diversified as financial institutions increasingly see the value in offering them. A recent report by the IFC⁹ reveals that non-financial services aren't just a good deal for SMEs. They are also good for financial institutions that offer them. These institutions generally see a return on their investment in one to two years, resulting from the acquisition of new clients and a deeper engagement with existing clients. Well-integrated NFS offers for WSMEs yield positive returns on investment (ROI) and this is demonstrated through: (i) Increased interest income (ii) Share of wallet, including cross-sell, deposit volume and fee income (including fees charged for NFS participation) (iii) Loyalty and (iv) Reduced risk. Against this backdrop, FCMB plans on leveraging fintech and digital solutions to pursue the full realization of its strategic priorities, which include expanding its SME activities and lending to women empowered business segments. In addition, FCMB intends to increasingly play a strong role across the agricultural value chain and manufacturing, where it has a sizeable market share and a solid grasp of the opportunities for WSMEs therein.</p>
Justifications for the Bank's Involvement:	
Strategic Alignment:	<p>The overall project is aligned with: (1) Nigeria's Economic Recovery and Growth Plan (ERGP) 2017 - 2020 which identifies agriculture and manufacturing among the key priority areas of focus and aims to among others deliver sustained job creation and inclusion; (2) the Bank's Ten Year Strategy (TYS) and High 5s strategic priorities, particularly "Industrialize Africa"; which seeks to expand support to SMEs and entrepreneurs in key sectors and "Feed Africa" to support agribusiness and "Light up and Power Africa" by promoting renewable energy projects as well as "Improve the quality of life of the people of Africa" by creating and sustaining youth and women employment; (3) the Bank's Financial Sector Strategy (2014- 2019), extended to 2020 that emphasizes Bank support to improve access to financial services in RMCs. The deliberate focus on women empowered businesses under the AFAWA program, particularly under the Priority Area 1 of the AFAWA Program which catalyze and improve access to finance for women empowered businesses in the host country. Moreover, it aligns with the new Gender strategy (2021-2025) - Pillar 1, that focusses on enhancing access to finance through leveraging the Bank's traditional instruments. The Project will also to a lesser extent lead to the realization of Pillar II of the Bank's 2nd Climate Change Action extended to December 2021 namely "Promoting Mitigation and Low-Carbon Development in Africa".</p>

⁸ <https://sheworkshere.ng/>

⁹ [Non-Financial Services - The Key to Unlocking the Growth Potential of Women-led SMEs for Banks \(ifc.org\)](#)

Development Outcomes:	The expected development outcomes of the project include (i) increased number of up to 1,000 trained WSMEs accessing finance for their businesses (ii) Improved productivity of women empowered Businesses (iii) job creation, especially at the level of the financed sub-WSMEs projects;
Additionality and Complementarity:	FCMB—with its SheVentures women market program, has established a track record of developing and providing tailored products and services to women business at the lower segment aimed at empowering them with financial support, advisory and value-added products. Thus far it has targeted 100 women every quarter to have access to mentorship & training. The Bank's TA package will further increase the number of WSMEs accessing NFS across FCMB's 207 branches and digital channels by addressing WSMEs barrier driven non-financial needs.

ANNEX V. RESULTS FRAMEWORK

Aggregate Indicator	Unit of Measure	Baseline	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	Total
Indicator One: Total number of WSMEs supported by We-Fi (We-Fi Indicator 12)	Number	0	500	7,500	12,000	12,000	8,000	40,000
Indicator Two: Number of direct jobs (rural and urban), disaggregated by sex, created by women owned-led SMEs (We-Fi Indicator 15A)	Number	0	-	6,000	6,000	8,000	8,000	28,000

Component	We-Fi Objective	Objective	Result(s)	Indicator	Unit of Measure	Baseline	YR1	YR2	YR3	YR4	YR5	Total
We-Fi Program Inputs & Increased Access to Finance	Mobilize resources from private and public sources that leverage We-Fi funding and augment the number of interventions supporting WSMEs & Reduced gap in the level of financing & investing in SMEs owned by women and men	Improving Access to finance	Outcome 1: WSMEs have increased access to credit facilities	Amount of non-We-Fi financing committed by We-Fi supported institutions to We-Fi supported activities, disaggregated by IDA/FCS countries (We-Fi Indicator 1)	Number (\$ million)	0		85.5	77.8	95.2	119.3	432.8
				Amount of new financing given to women owned-led SMEs by supported We-Fi institutions, disaggregated by IDA/FCS countries (We-Fi Indicator 2)	Number (\$ million)	0		20	15	15	10	75.0
			Output 1.1: First Loss Risk Sharing Facility to de-risk funds to NBFIs (Impact, VC, PE, funds of funds) established and operational	Number of NBFIs that have attained a 'financial close' with the AfDB to support WSMEs with the FLRS	Number	2		1	1	1		6
			Output 1.2: First Loss Risk Sharing Facility to de-risk participating FIs established and operational	Number of participating FIs that have signed a loan agreement with the AfDB to support WSMEs	Number	1	2	2	2	2	3	11
	WSMEs' are better able to engage, negotiate and access finance & investments	Providing relevant and targeted capacity building/training to WSMEs and participating FI's/NBFI's, public and private sector institutions serving WMSMEs	Outcome2: Increased access to financial services by WSMEs	Percentage of WSMEs that are beneficiaries to the We-Fi supported FIs/NBFIs	Percentage	0		30%	30%	30%	30%	30%
Access to Markets	More WSMEs enter and thrive in new markets as suppliers, distributors, and producers		Output 2.2: The capacity of WSMEs to formalize their businesses is strengthened	Number of WSMEs trained/ linked to networks (market linkages, procurement opportunities, investment opportunities, etc.)	Number	0	500	7,500	12,000	12,000	8,000	40,000
Overall We-Fi Results and Impact	Improved business practices and management skills among WSMEs		Output 2.1: The number of WSMEs reporting growth in sales and profitability as a result of the We-fi Technical Assistance	Number of women-owned/led SMEs in entrepreneurship support programs that report increased sales or profits (We-Fi Indicator 4)	Number	173	0	0	200	400	600	1,200
Increased Access to Finance	WSMEs' are better able to engage, negotiate and access finance & investments		Outcome 3: FIs/NBFIs improve and diversify their product offering/services to serve WSMEs	Number of FIs/NBFIs that have updated or implemented a) new screening procedures, or b) financial products and services for women-owned/led SMEs disaggregated by IDA/FCS countries (We-Fi Indicator 3)	Number	0	2	3	3	3	3	14

Component	We-Fi Objective	Objective	Result(s)	Indicator	Unit of Measure	Baseline	YR1	YR2	YR3	YR4	YR5	Total
Access to Market	More WSMEs enter and thrive in new markets as suppliers, distributors, and producers		Output 3.1: Strengthened capacity of public and private sector institutions to serve WSMEs	Number of rigorous impact evaluations commissioned by We-Fi supported institutions (We-Fi Indicator 7)	Number	0	0	0	0	2	1	3
Entrepreneurial Ecosystem & Enabling Environment	Stronger evidence base on WSMEs' needs, constraints & building finance and market linkages	Improving the policy and enabling environment for WSMEs across Africa	Outcome 4: The Policy and regulatory environment is strengthened to increase the participation of WSMEs	Number of the legal and regulatory reforms supported by the We-Fi program to remove constraints and support to women entrepreneurship, disaggregated by IDA/FCV countries (We-Fi Indicator 9)	Number	0	1	1	1	1	1	5
			Output 4.1: Training Government officials in Africa- on the risk sharing facilities.	Number of officials trained on the risk sharing facilities available on the continent.	TBD	20	30	30	30	30		140

ANNEX VI. RISK FRAMEWORK

The Implementation risk scope evolved as explained earlier. The AfDB administrative requirements (Development of new special account for We-Fi resources) and Covid-19 pandemic disrupted the timelines on implementation as AfDB redirected resources earlier planned for Financial Institutions to support on the liquidity of the most hit and vulnerable during the period. Covid -19 lockdown measures also led to postponed inception activities for the projects.

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Program/Project Design and Implementation Arrangements					
<u>Implementation Risk</u>	Low	High	Medium	Inability of Financial Intermediaries to increase lending to WSMEs	A number of FIs operational in Africa are highly liquid and preference is often given to investing in government bonds as opposed to lending to the women SME sector due to perceived high risks. The proposed FLRS coupled with technical assistance will incentivize

					FIs to scale lending to the segment and in expertise will be brought in to support participating FIs to develop innovative products and creating value propositions for these FI to lend to WSMEs.
	Medium	Medium	Medium	Slow investment pace due to lack of capacity of financial intermediaries and unavailability of bankable WSMEs	Through the program a sizeable technical assistance funding is allocated to provide pre and post support to both the Financial Intermediaries and women investee companies.
	High	Medium	Medium	Slow pace of institutional and legal reforms to promote and reduce bottlenecks prohibiting growth of WSME	The proposed project is pushing a big agenda towards transformation of the financing needs of WSMEs in Africa and is continuously consulting with public and private sector to improve the business enabling environment for WSMEs. Specialized firms will be brought to work with both the public and private sector to review all bottlenecks prohibiting women SMEs and improve all SMEs these policies and train and support stakeholders (mainly government regulatory authorities' staff) to achieve the legal and regulatory framework.
Political, Social and Governance Risks					

<u>Political Risk</u>	Medium	High	Medium	<p>The Program will be implemented in at least nine (9) fragile and conflicted affected states. From the nine countries categorized as FCS, the political environment varies from each and it is recognized that instability in these countries could disrupt the timely implementation of program activities. As a result, the political instability and governance risks in fragile are high and could slow down the program delivery.</p>	<p>The political risk rating is an important element of our credit rating and the program will consider the overall risk of doing business in a given country i.e. business climate, legal and political environment.</p> <p>This risk will be mitigated through active AfDB monitoring of macro-economic and political factors throughout the investments' lifecycle. The small size of the FLRS proposed in each target country will help to build inherent portfolio diversification and resilience to transitory adverse macroeconomic events.</p> <p>Moreover, to mitigate the political and governance risk the Bank will continue with proactive monitoring of the various political climates, deploy effective communication channels with supported institutions and quick decision making in line with management guidance, in order to accommodate project implementation given the occurring political events.</p>
				<p>The main risk relates to a significant deterioration of the security environment in fragile conflicted states, which could require changes in delivery mechanism.</p>	<p>The security situation of the fragile conflicted states will be monitored closely, and the implementation of project activities will be tailored to the security situation of each country. Should the security situation deteriorate significantly, modifications in the proposed activities (in particular and in terms</p>

					of geographical might need to be implemented).
Fiduciary Risks					
Financial Control, fraud and misuse of funds	Low	Medium	Medium	Weak Procurement and financial management policies exist in some organizations/countries especially the fragile states.	Activities supported by the proposed program will improve the fiduciary environment. This will include procurement and financial management best practices in line with the AfDB policies and procedures.
Environment and Social Safeguards/Standards					
<u>Social Risk</u>	Medium	Medium	Medium	Possibility of social friction of communities in the program targeted geographies	Social entrepreneurship solutions will always be reviewed with oversight of AfDB, to ensure that the benefits of the solutions are indeed inclusive and not exclusive in nature. In addition, the AfDB will apply its social safeguards on each investment to ensure that there are no negative unintended consequences on local societies.

<u>Environmental Risk</u>	Low	Medium	Medium	Environmental degradation	The entrepreneurship solutions are meant to enhance the local environment through new and better social services and goods including investments to scale up the use of renewable energy. In addition, due diligence will follow the AfDB's processes of assessment regarding environmental safeguards to ensure that no investment in projects have negative unintended consequences on the environment.
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