

Women Entrepreneurs Finance Initiative (We-Fi)

**THEMATIC FUNDING REQUEST
ON A PROPOSED FINANCING
IN THE AMOUNT OF \$12,313,250
TO THE**

WORLD BANK

FOR

The World Bank Women Entrepreneurs Finance Initiative Program

Leveraging Finance, Data and Digital for HER

April 21, 2022

THE WORLD BANK WE-FI FUNDING PROPOSAL



Photo credit to the WB We-Fi Mozambique team and beneficiaries – [learn about the MUVA Program](#)

I. EXECUTIVE SUMMARY

The World Bank Group (“WBG”) is strongly committed to gender equality and the economic empowerment of women. Through its public sector arm, the International Bank for Reconstruction and Development and the International Development Association (together the “World Bank” or “WB”) and its private sector arm, the International Finance Corporation (IFC), the WBG has developed a wide range of innovative and complementary approaches to expanding economic opportunities for women. These range from broad policy interventions to direct investments in private companies, encompassing the full spectrum of engagements with intermediaries required to support systemic change. The WBG’s two funding requests compose of (i) programs of private sector-led interventions that will be implemented by IFC, and (ii) programs of public sector-led interventions that will be implemented by the World Bank, building on the strengths and synergies of the WBG.

Theme 1: Leveraging Finance and Data to drive the systemic changes needed to support WSMEs to build back better from the COVID-19 crisis. The World Bank will focus on strengthening the financial infrastructure, capacity to collect data, and setting international benchmarks working with authorities in over 50 countries, while IFC will provide direct expertise and resources to shore up the sex-disaggregated data collection and business analysis capacity of roughly 90 financial institution counterparts. Both the World Bank and IFC will coordinate closely when working with a range of partners including banks, regulators, development banks, financial institutions, standard setters, credit information companies, and fintechs to develop products and services targeted to support increased access to finance for the WSMEs, including early-stage finance.

The World Bank and IFC both place a high emphasis on learning and sharing knowledge. The two funding requests have robust monitoring and evaluation systems, and the We-Fi Program Management Units put an emphasis on cross-learning between the teams, as well as on sharing best practices and lessons learned across all the programs and with the We-Fi partner network.

The World Bank “**Leveraging Finance, Data and Digital for HER**” funding request proposes a programmatic approach with country, regional and global activities that build on the strengths of the World Bank We-Fi Program and leverage synergies with the IFC We-Fi Program and the WBG COVID emergency response and portfolio. It aims to support women business resilience and growth through direct support to help WSMEs grow and scale as well as new data, policy and regulatory changes to remove obstacles facing WSMEs. The proposal puts emphasis on supporting WSMEs in challenging markets, with over 60% of We-

Fi funding to be allocated to activities in International Development Association (IDA)-eligible and/or fragile and conflict-affected states (FCS). The World Bank holistic programmatic approach is aligned with IFC and builds in flexibility and agility to tailor solutions and scale up in response to the COVID-19 crisis.

The proposal is set within the scope of several joint frameworks, such as the Maximizing Finance for Development (MFD or ‘the Cascade’) approach, the WBG’s Gender Strategy, the IDA20 policy framework, the IDA20 gender policy commitments which aim to scale up productive economic inclusion, and the Green, Resilient, and Inclusive Development (GRID) approach, which departs from previous development strategies by promoting economic growth that goes hand in hand with social inclusion and environmental goals.

The primary beneficiaries under this program are women entrepreneurs across the business lifecycle, including high potential early-stage firms that may not yet have staff or lending history, and cooperatives that meet ownership criteria. This proposal intends to reach on average 8,000 WSMEs (between 4,000 to 12,000 WSMEs) directly, and an additional 5,000-10,000 WSMEs through intermediaries trained with We-Fi support and We-Fi informed WSME-targeting components of leveraged World Bank lending operations. Furthermore, the proposed activities are expected to reach tens of thousands of other beneficiaries indirectly, including women as well as public and private sector partners benefiting from policy and business environment reforms, as well as growing empirical evidence on what works to support WSMEs.

This proposal builds on the track record of the World Bank in supporting women economic empowerment, working in IDA/FCS, and the experience with implementing the World Bank We-Fi Program. The WB We-Fi Program has committed 97% of all allocated resources (\$33 mil. under round 1 and round 3, 11% We-Fi allocation) with over 80% of resources targeting beneficiaries in IDA/FCS markets. The program disbursed 33% of resources and increased adaptation and delivery of results in response to COVID in FY21, reaching 54% of end-of-program results – demonstrating speed to market to deploy resources and efficiency in delivering more results with less funding. The program has also contributed significantly to the overall We-Fi results- half of We-Fi results on reforms, products delivered with partners and WSMEs trained; and a third of WSMEs reached based on the We-Fi mid-term review. The teams developed a dozen new products in response to the COVID-19 pandemic, with the Nigeria digital cash flow lending product and the Pakistan investment readiness training already being scaled up. This proposal builds on the previous two proposals that addressed broader WSME constraints on access to networks, finance and markets. The proposal aims to scale the impact of the current WB We-Fi activities to new countries and proposes additional activities in response to COVID-19.

“Leveraging Finance, Data and Digital for HER” program proposes to strengthen the capacity of central banks, regulators, financial institutions, and non-bank financial institutions to better serve WSMEs. The activities will promote the collection and use of sex-disaggregated data to drive access to finance for WSMEs in the spirit of the WE Finance Code initiative proposed by the We-Fi Secretariat. The sex-disaggregated data collection and use activities will be implemented with the World Bank network of global partners and through country advisory pilots and World Bank lending operations. The activities will also aim to promote development of financial products and services for WSMEs, including digital financial products and access to early-stage finance leveraging the Nigeria cash flow lending pilot and investment readiness program developed in Pakistan. The World Bank will work closely with over 60 financial sector authorities, credit reporting bureaus, central banks, development banks, and over 30 incubators,

accelerators and other partners in pipeline projects to accelerate the deployment of good practices to support WSME finance – potentially influencing sex-disaggregated data and WSME products in over 50 countries. At the global level, the proposal will develop new international benchmarks that would become available for 124 countries.

The World Bank is proposing a holistic approach supported by complementary cross-cutting interventions on data collection and analysis, reforms, research, and skills across the portfolio. All proposed activities are designed to leverage existing and pipeline World Bank Group operations, including emergency response to the pandemic and IDA/FCS projects and partners. The program will continue collaboration with the Women, Business, and the Law (WBL) data and reform advisory teams and support regulatory reforms underpinning the finance activities. The training activities will leverage programs developed under the ongoing WB We-Fi program, including social gender norms trainings.

The program is expected to mobilize an additional \$ 123,000,000 million in funding from the public and private sector, a 10 times leverage. The program will utilize result-based mechanisms (RBMs), such as pay for success and outcome-based pricing. It will advise clients on the use of RBMs, including blended finance.

The program is expected to reach over 60 global, regional, and country public and private partners to promote WSME access to finance and markets – the overarching goal and the WBG We-Fi Program. The selected strategic partners include: 1) government and public sector representatives in all countries of operation; 2) institutions focused on data driven financial inclusion; 3) financial authorities, credit reporting bureaus, central banks, development banks; 4) incubators/accelerators and other public and private sector partners in the early stage finance space; 5) international development partners, including other We-Fi implementing partners; and 6) NGOs and local women organizations through policy dialogue and consultations to ensure outreach to women.

II. WE-FI THEMATIC REQUEST – DATA SHEET

BASIC INFORMATION

IP Name	The World Bank
Program/Project Name:	Leveraging Finance and Data for WSMEs
COVID Sub-Thematic Focus Area (s)	Finance and Data
Name of Top-up (i.e., original project name):	
# of WSMEs benefiting from the program	8,000 (4,000- 12,000) ¹
Regions	Global
Countries	Programmatic approach with 60% IDA/FCS. Proposed activities are expected to cover all regions and over 10 countries, majority of them IDA/FCS. Final country selection to be carried out via an internal competition open to all teams, using We-Fi aligned selection criteria with a focus on IDA/FCS and within the parameters set out in this proposal.
Private Sector, Public Sector or Both	Both
Implementation Start Date	September 1, 2022
Implementation End Date	June 30, 2027
Supervision End Date	December 31, 2029
IP Focal Point Contact (name, email, phone)	Jana Malinska , World Bank We-Fi Program Manager; Email: jmalinska@worldbank.org; Phone: 202-384-9523
Key Staff Contacts (Project Lead, M&E Officer, Comms Officer)	The World Bank: <ul style="list-style-type: none"> • Mahesh Uttamchandani; Practice Manager; Financial Inclusion, Infrastructure and Access • Sheirin Iravantchi, Senior Financial Sector Specialist • Yehia Khedr Eldozdar, Monitoring & Evaluation Specialist

¹ Range based on conservative (4,000 beneficiaries), mid-range (8,000 beneficiaries), and optimistic (12,000 beneficiaries) scenarios. The World Bank is building knowledge on We-Fi type interventions and their impact on WSMEs. The proposal's targets were developed using implementation results from the current WB We-Fi program (optimistic scenario), as well as other trust fund programs (conservative scenario). Our experience shows the current WB We-Fi finance and digital projects are reaching more WSMEs than expected with opportunities to scale up developed solutions, leading to economies of scale and improved results. Overall, we propose the target for the program to reach 8000 WSMEs on average. It is also expected that an additional 5,000-15,000 WSMEs will be reached through intermediaries trained with We-Fi support and We-Fi informed WSME-targeting components of leveraged World Bank lending operations. See the results framework for additional details.

WE-FI FUNDING REQUEST

USD	Total	Year 1	Year 2	Year 3	Year 4	Year 5	% IDA ² Estimate	% FCS ³ Estimate	Total IDA & FCS% Estimate
Requested from We-Fi (WB)	\$12,313,250	\$1 million	\$4 million	\$4 million	\$2 million	\$1,313,250 million	50%	15%	60%

TOTAL PROGRAM COST & LEVERAGE

Sources of Financing	Amount (do not round) ⁴
We-Fi financing requested (A)	\$12,313,250
IP Contribution (B)	\$ 100,000,000
Public-sector contributions (C)	
Private sector financing directly mobilized ⁵ (D)	\$ 23,000,000
Additional funds mobilized [World Bank TFs and donor contributions at the country level] ⁶ (E)	\$132,500
Total Non-We-Fi Mobilized Funds (F)= (B+C+D+E)	\$ 123,132,500
Total Activity Size (G)= (F+A)	\$ 135,445,750
Of which % IDA and % FCS (IDA+FCS / G)	60%
Leverage (F/A)	10 times

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

³ [WBG Harmonized List of Fragile and Conflict-Affected Situations](#)

⁴ WB Mobilization targets were developed based on the experience from implementing the current WB We-Fi program – that's leveraging the disbursed amount 10 times. See explanation of assumptions in the results framework.

⁵ The targets have been developed using current overall WB We-Fi program implementation experience and results. The current portfolio has only a few but well performing Access to Finance activities hence lower current projections. We expect the planned access to finance activities to have higher results. Furthermore, World Bank's approach to capturing results has been conservative, not capturing intermediaries other than banks, and we are in discussion with the Secretariat to best align with IFC and other IPs that count some of the indirect impacts - including other intermediaries, and beneficiaries of additional funding and We-Fi designed components under mobilized WB lending operations.

⁶ Other funds typically include resources mobilized by teams for WSMEs at the country level.

III. PROGRAM/PROJECT DESCRIPTION

A. OBJECTIVES:

This “Leveraging Finance and Data for WSMEs” proposal builds on the strengths of the World Bank We-Fi Program (WB We-Fi) and synergies of the World Bank Group (WBG) to put forth a programmatic approach supporting WSME resilience and growth in response to COVID-19 in challenging markets. The proposal responds to the two COVID themes under the 4th We-Fi funding round and aims to scale up impact of the WB We-Fi Program and add activities in new challenging markets. Round 1 and round 3 proposals addressed broader WSME challenges on enabling ecosystems, access to finance and markets and promoted women along value chains using digital tools. This proposal aims to leverage earlier activities under We-Fi proposals and expand to new areas in finance, and data.

The World Bank Group is strongly committed to ensuring that projects responding to COVID-19 consider the pandemic’s different impacts on men and women.⁷ The on-going pandemic threatens to reverse the marginal progress made towards gender equality in the last few years. Like previous crises, COVID-19 has the potential to further exacerbate existing inequalities, including in economic opportunities for women around the world. Evidence highlights the disproportionately deeper effect of COVID-19 on women-owned and -led businesses (WSMEs).⁸ During the pandemic, WSMEs reported greater financial vulnerability, were less likely to receive support from public sources, and resumed operations at a slower pace relative to men. Despite these challenges, women were at the forefront of mobilizing support for their communities and care for their families, while being more likely than their male counterparts to adapt and pivot their businesses using digital tools and business models.⁹ Gender equality is central to the WBG own goals of ending extreme poverty and boosting shared prosperity in a sustainable manner. In response to COVID, the World Bank Group is supporting women across four areas including protecting households, securing firm livelihoods, supporting women-owned firms, and fostering the resilience of adolescent girls (addressing gender-based violence risks).¹⁰

The WB We-Fi program scaled up adaptation and delivery responding to WSME needs in the context of COVID-19 in FY20-21, especially in low-income and fragile economies. Teams are implementing 16 projects across 20 countries in 3 regions, as well as global activities on data, reforms, research, and outreach, with over 80% of resources committed to IDA/FCS beneficiaries. With We-Fi support, projects developed and launched over a dozen COVID-responsive WSME products informed by new data collection and analysis on COVID impact. We-Fi teams were integrated into country COVID response strategies, ensuring WSMEs benefit from additional grants, credit lines, business competitions, gender-smart training and regulatory reforms under World Bank emergency lending operations. In FY21, WB We-Fi increased mobilization of resources by 300% to \$133 million (15 times leverage), worked with over 55 public and private partners, and reached over 3,100 WSMEs in some of the toughest IDA/FCS markets. The program

⁷ Visit [Gender and Covid response](#) website for details.

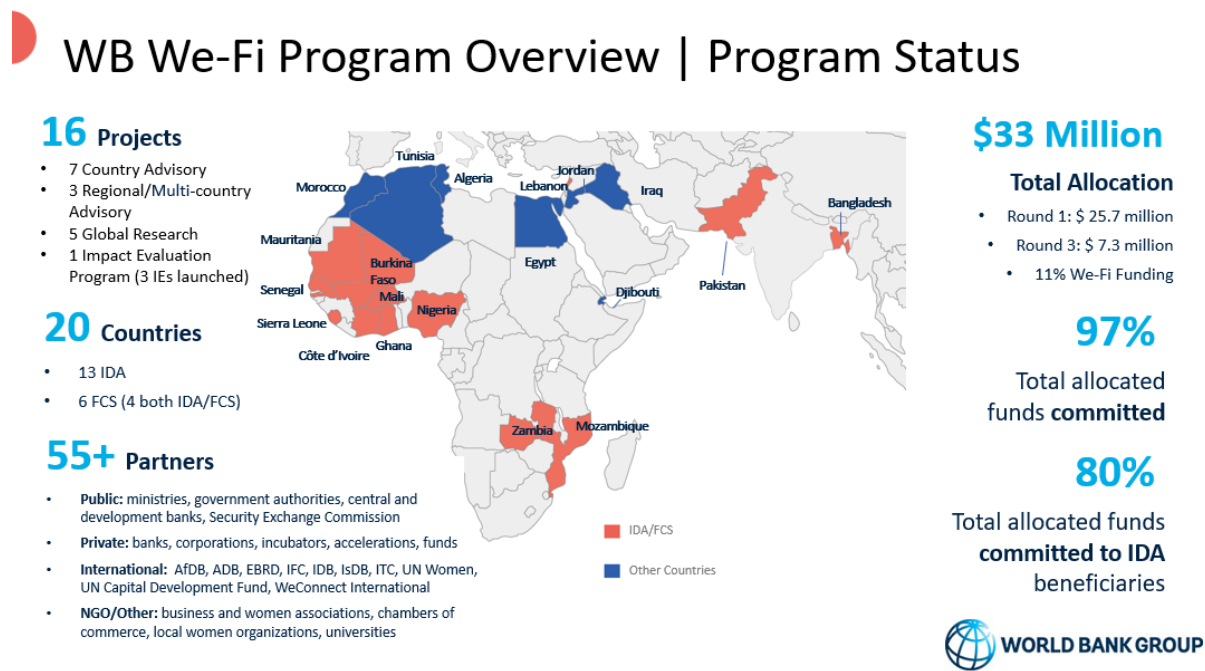
⁸ Facebook, OECD, and World Bank, [“The Future of Business Survey,”](#) February 2016.

⁹ World Bank Group, [COVID-19 Business Pulse Survey](#), 2021.

¹⁰ WB Gender Innovation Lab, [Supporting Women throughout the Coronavirus \(COVID-19\) Emergency response and economic recovery](#), October 2020.

has committed 97% of allocated resources, disbursed 33% and already achieved 54% of the end-of-program targets (See box WB We-Fi Program – FY21 Results).

Box: WB We-Fi Program –FY21 Results



World Bank We-Fi Result Highlights



- WB contributes significantly to overall We-Fi results – legal reforms (54%), WSME products by partners (53%), WSMEs trained (47%), and WSMEs reached (32%) based on MTR (March 2021).
- Increased result delivery and adaptation to respond to WSME needs in the context of COVID-19 in FY21.

WB WE-FI CUMULATIVE RESULTS AND PROGRESS TOWARDS TARGETS (END FY21)

55 Partners with new/updated products for WSMEs (157% of the WB target: 35)	1,401 WSMEs receive finance (31% of the WB target: 4,450)	7 Institutions with new system for gender data (70% of the WB target: 10)
1,971 WSMEs receive entrepreneurial support (92% of the WB target: 2,150)	\$8.1 Million in new financing to WSMEs	3 Rigorous impact evaluations commissioned (75% of the WB target: 4)
3 Reforms enacted (60% of the WB target: 5)	3,174 Total number of WSMEs reached by WB We-Fi (37% of the WB target: 8,610)	
\$133 million mobilized in financing (69% of the WB target \$192.4 million)		Achievement of 54% of end-of-program targets on average

Disbursements: \$8,7 million

Round 1:

- \$8.5 million (**33%** disbursement rate)
- \$12.2 million including ongoing contracts

Round 3:

- \$0.15 million (All activities launched in FY21)
- \$0.35 million including ongoing contracts



We-Fi funding is instrumental in allowing the World Bank to pilot WSME products, mobilize additional resources, and implement a holistic approach for WSMEs in IDA/FCS. We-Fi fills an important gap in the development architecture and the WB portfolio by focusing on eliminating the barriers women face in starting and growing successful WSMEs in a variety of sectors, while strengthening the enabling environment, data, and empirical evidence for such firms through data collection, pilots, testing new approaches, and innovation.¹¹ With We-Fi support, the World Bank is testing holistic multi-dimensional country approaches that address multiple WSME constraints. We-Fi also contributes to deepening the evidence base on what works and can be scaled up.¹² It has promoted complementary public and private sector driven interventions in very difficult markets while increasing mobilization of additional resources for WSMEs. We-Fi enables the development of more specialized types of products and holistic approaches that address WSME-specific needs, showcasing promising results.¹³ For example, the digital cash flow lending product in Nigeria has exceeded project beneficiary target of 1,000 WSME loans by 40% in less than a year, translating to about \$6 million in additional funding for women entrepreneurs during COVID. The product is also part of a We-Fi funded impact evaluation, and the team is exploring product expansion to new regions in Nigeria and new countries including Ghana and Sierra Leone. The Pakistan investment readiness has already been scaled by the MENA Mashreq facility to the MENA countries. We-Fi includes a strong M&E component and scope for impact evaluations to enhance understanding of what public actions might be most impactful to increase WSME access to finance and markets, with We-Fi support.

More needs to be done to promote WSME response to COVID-19. Implementation experience with We-Fi, challenges and lessons learned point to priority areas for strengthened and additional interventions. The COVID-19 crisis presents an opportunity to support WSMEs through sex-disaggregated data, gender-smart financial products and services, and the use of digital tools, platforms, and services as follows:

- **There is a heightened need for sex-disaggregated data.** WB teams produced over 30 reports, assessments, diagnostics, case studies, datasets - BPS gender analysis, WeData, WeTour, and launched 3 impact evaluations. Producing new and quality sex-disaggregated data enabled project adaptation and advocacy to counterparts, supported behavioral change across governments and intermediaries, and allowed for revisions to policies and broader reforms. The combination of robust data informing pipeline country lending operations helped target support for WSMEs leading to greater mobilization of additional funding. For example, the Rapid Industry Structure Analytics (RISA) study, "[Women-Driven Value Chains for Fruits and Vegetables in Côte d'Ivoire](#)," informed the country's emergency response in the agriculture sector leveraging \$27.28 million in additional financing directed to support women organizations.
- **Access to finance represents one of the biggest bottlenecks to women business growth.** Analytical work conducted by the World Bank points to the importance of funding, nevertheless, women continue to be underserved by the financial industry. COVID has further deteriorated the situation. The WB We-Fi Nigeria Market Study found that 52% of women-led firms identified access to finance

¹¹ KPMG. *We-Fi Mid-term Review*. 2021.

¹² A detailed review of these constraints was presented in the World Bank Group We-Fi proposals in 2018.

¹³ WB We-Fi developed successful WSME solutions, products, and modules which will be scaled to new countries. The scalable products include the market connect approach (Bangladesh, Mozambique), promoting women in agriculture value chains (Cote d'Ivoire), MUVA online acceleration and gender- centered design modules (Mozambique), digital cash flow lending product (Nigeria), investment readiness training (Pakistan), public procurement product (Senegal) expanding across WBG portfolio to new countries.

as a major constraint to growth, compared to only 30% of male-led firms. In the same study, 56% of female entrepreneurs reported being rejected in their most recent loan applications, opposed to merely 17% of men. Globally, gender gaps in assets ownership led to difficulty in women accessing finance. Most loan sizes are determined based on borrower collateral. However, due to social norms, inheritance and marriage practices, household assets tend to be owned by men.

The proposed program seeks to promote WSME access to finance through products and approaches informed by strengthened sex-disaggregated data collection. To further scale We-Fi impact, the program seeks to expand developed WSME financial products to new countries and implement new activities on data and finance to enable women entrepreneurs to tap into opportunities offered by COVID and beyond. The program will work with women firms across the business life cycle. The WB activities will significantly leverage We-Fi funding, expanding the reach and impact on WSMEs. We-Fi funding complements World Bank's broader crisis-response and economic recovery programs by providing dedicated funding for WSME-specific activities. The proposal is aligned with the IDA20 policy framework and contributes to the IDA20 gender policy commitments to scale up productive economic inclusion, and the Green, Resilient, and Inclusive Development (GRID) approach, which departs from previous development strategies by promoting economic growth that goes hand in hand with social inclusion and environmental goals.¹⁴

B. COUNTRY/REGIONAL/GLOBAL CONTEXT

COVID-19 has dealt an unprecedented setback to the effort to end extreme poverty and reduce economic inequalities for women worldwide. It has hit the poor, and especially women across all regions, harder than those with higher incomes or assets.¹⁵ Poorer countries have fewer resources and tools to protect their citizens and businesses, and to reverse the sudden reduction in their sales to advanced economies or aid the collapse in tourism that disproportionately employs women.

The World Bank works with WSMEs in difficult markets. The existing WB We-Fi program targets beneficiaries across three priority regions with the largest gender gaps in entrepreneurship (Sub-Saharan Africa, the Middle East and North Africa, and South Asia) with over 80% of resources targeting WSME beneficiaries in IDA/FCS, 20% more than the planned 60% IDA/FCS at the proposal stage. The teams are working in very challenging environments and developed a dozen of innovation solutions and products for WSMEs, addressing IDA/FCS context. The portfolio is on track to deliver or exceed the end-program targets. The WB We-Fi program put in place a robust risk framework that includes mitigation measures for working in IDA/FCS (See box below and the risk framework section in the Annex).

¹⁴ The importance of sex-disaggregated data collection has been emphasized during the recently concluded IDA20 Day discussion in October 2021.

¹⁵ World Bank We-Fi Partner UN Women's *"From Insights to Action"* report (2020) indicates that in 2021, it is expected there will be 118 women aged 25 to 34 in extreme poverty for every 100 men aged 25 to 34 in extreme poverty globally, and this ratio could rise to 121 poor women for every 100 poor men by 2030.

Box: Strategies of working in IDA/FCS

The World Bank has a strong track record of working in low income and fragile countries and the proposed activities will be informed by lessons from previous programs, including from the current WB We-Fi Program and research by WBG Gender Innovation Lab, DEC, DIME, etc. With We-Fi support, the World Bank is building further evidence on what works for WSMEs in IDA/FCS. Growing body of evidence shows that due to many barriers facing WSMEs, holistic and multidimensional approaches, as developed by the current WB We-Fi program, are more likely to deliver sustainable results for WSMEs in IDA/FCS. The WB We-Fi program also put in place a robust risk framework that includes mitigation measures for working in IDA/FCS including the following:

- All proposed activities are designed to leverage existing World Bank SME operations across IDA/FCS, including emergency response to the pandemic.
- All the activities are Bank-executed and benefit from strategic partnerships with stakeholders that play a critical role in the sector and country. These partners will be advisors, co-implementors, mentors, and contractors of the program.
- The World Bank teams maintain flexibility in implementation arrangements to operate in IDA/FCS and politically unstable contexts. The teams are also collecting new data to inform the interventions.
- Standard risk assessment frameworks are applied to all advisory projects – those include Activity Design and Implementation Arrangements; Political, Social and Governance Risks; Fiduciary Risks; Environment and Social Safeguards/Standards; and COVID-19 Related Risks with mitigation measures in IDA/FCS.

The program activities are expected to cover all regions and about 10 countries with a majority of IDA/FCS (60% of the allocations), as well as global activities. All activities under this proposal will support WSMEs in IBRD/IDA eligible countries, provided they meet proposal objectives. At least 60% of We-Fi funding will be allocated to activities in IDA/FCS. The program will also work with under-served women in non-IDA markets, including rural and low-income areas and seek to extend support to vulnerable groups, such as women migrants and returning migrants. Expenditures on global activities will be prorated between IDA/FCS and non-IDA/FCS based on country-level expenditure breakdowns. The World Bank will implement joint and complementary activities with IFC, in an aligned public-private approach for WSMEs, scaling up current activities and implementing new pilots in all regions and eligible countries, with a focus on upstream activities and broader market creation.

The programmatic approach will allow the World Bank to be agile and responsive to market needs, enhance alignment with IFC programmatic approach, respond to COVID situation, and mobilize resources for WSMEs through pipeline WBG operations, including COVID emergency response lending. The World Bank is proposing a programmatic approach with selection of global, regional, and country projects and confirmation of budget allocations and targets through an internal competition, open to all World Bank teams using We-Fi aligned selection criteria with a focus on IDA/FCS and within the parameters set out in this proposal. The programmatic approach with pre-selection consultations allows the World Bank to identify and develop potential interventions with teams; confirm the activity relevance and funding envelope with We-Fi/GC; and select the best quality projects using We-Fi aligned selection criteria and budget range. The programmatic approach will enable the World Bank to explore ways to leverage the high interest in We-Fi funding to maximize the impact and mobilization of other resources.

This proposal has been developed in consultation with regional staff and gender focal point colleagues who shared early project ideas and helped identify potential partnerships. Their inputs informed the proposed components and ensured their buy-in. Project ideas and interest in We-Fi funding were received

from three global teams as well as all regions and over 10 countries, majority of them IDA/FCS. Potential project ideas are included as examples in the program component sections below. These examples demonstrate the World Bank's capacity and ability to commit resources quickly, allowing for speed to market similar to the current program with 100% budget commitment of resources received in the third call and over 90% of resources committed overall. They also highlight the opportunities to leverage ongoing projects and partnerships to deliver in IDA/FCS. All potential projects, ideas, and partnership will be further developed and considered for selection and approval under the World Bank programmatic approach.

The World Bank will also engage at the global level. The World Bank will develop global tools, products, and solutions alongside a range of partners, to pilot and test with country teams for broader replication and scale through the World Bank lending portfolio. The World Bank will also work with standard setters to establish new international benchmarks. Building upon the knowledge gained at the regional and country level, the World Bank will also undertake data collection and analysis; research; impact evaluations; reforms; and proactively disseminate knowledge, lead advocacy, learning and outreach in support of women entrepreneurship.

Box: The World Bank Programmatic Approach Summary

Advantages of the proposed World Bank programmatic approach:

- Be agile and responsive to specific market needs, COVID situation and opportunities, including mobilization of the fast-evolving pipeline of WBG COVID emergency operations.
- Be strategic, exploring ways to leverage the high interest in We-Fi funding to maximize the impact and mobilization of other resources.
- Develop activities in support of IFC investments and private sector solutions – leveraging better the IFC programmatic approach.
- Better adapt our tools to WSME situation.

Details of the proposal programmatic approach:

- Applying lessons learned with other programmatic trust funds, especially in IDA/FCS that require flexible approach.
- All potential projects, ideas, and partnerships will be further developed and considered for approval under the World Bank programmatic approach.
- The final selection will be done through internal competition open to all World Bank teams.
- The selection will be using We-Fi aligned selection criteria with a focus on IDA/FCS and within the parameters set out in this proposal, including Prioritized Themes Link to COVID Sub-Themes, Mobilization, Enhanced Blended Finance & Results Based Mechanisms, Sustainability and Strategic Partnerships.
- The selection will also take into account the identified opportunities for IFC collaboration, potential for scaling up We-Fi solutions, and leveraging COVID operations pipeline across WBG.
- We will keep the donors informed on the selection process and commitments.

C. THEMATIC CONTEXT

Deploying women's full potential is critical to global economic recovery and requires gender-responsive policies, and gender-tailored interventions and investments. With COVID-19 causing long-lasting impacts on women's economic participation, the global gender gap will take an extra 36 years to close.¹⁶ Prior to the pandemic, it is estimated women contributed 37% of the global GDP.¹⁷ By closing the gender gap, countries can unlock opportunities for increased growth and innovation.¹⁸ Women face inadequate access to finance, markets and skills and unfriendly entrepreneurial ecosystems¹⁹; on average, women have just three-fourths of the legal rights afforded to men.²⁰ Disproportionately high legal and regulatory barriers have a profound effect on women's ability to start and grow viable businesses. WSMEs face specific constraints and have needs different to microenterprises and male-owned businesses, as covered in detail in previous proposals. Here we provide context and WSME constraints that the proposal seeks to address under these COVID themes:

"What gets measured, gets done." Comprehensive sex-disaggregated data is needed to inform financial intermediaries, regulators, and policy makers and enable them to deliver financial and other products to women entrepreneurs.²¹ COVID has created increased credit market vulnerabilities and credit tightening, which can disproportionately affect WSMEs with less access to finance. Despite these challenges there is little evidence that WSME financing needs have been addressed by COVID relief programs (UN estimates show less than 4% of COVID response measures target WSMEs)²² as other urgent measures often sideline gender analysis and action for women during crisis.²³ Sex-disaggregated data is the cornerstone of the business case for banks to serve women, interventions that could prove catalytic in closing the financial inclusion gender gap.²⁴ World Bank Group has extensive experience in advising central banks, regulators, and the financial sector, and engages globally as part of the Global Partnership for Financial Inclusion (GPFI) for all G20 countries, interested non-G20 countries and relevant stakeholders to carry forward work on financial inclusion, including implementation of the G20 Financial Inclusion Action Plan, endorsed at the G20 Summit in Seoul. The World Bank also participates in standard-setting initiatives with – among others – the Bank for International Settlements, Committee on Payment and Settlement Systems (28 central banks), Financial Action Task Force (on Money Laundering) (39 member states), Financial Stability Board. Finally, the World Bank leads on collecting data and conducting evaluations on WSMEs, with 20+ impact evaluations on reducing financial and non-financial constraints for women firm, and core datasets such as Women, Business, and the Law; Enterprise Surveys; and Global Findex. The Bank and IFC both participate in the Data2X alliance and work with partners including Alliance

¹⁶ World Economic Forum, [Global Gender Gap Report](#), 2021.

¹⁷ World Bank, [Trade & Gender](#), March 8, 2019.

¹⁸ McKinsey Global Institute estimates that \$12 trillion could be added to global growth if the gender gap is narrowed. International Monetary Fund found that advancing gender equality is associated with a variety of positive macro-economic impacts, including higher GDP.

¹⁹ World Bank Group, [Female Entrepreneurship Resource Point – Introduction and Module 1: Why Gender Matters](#).

²⁰ World Bank Group, [Women, Business, and the Law 2021](#), 2021.

²¹ Data2X, [Measuring Women's Financial Inclusion: The Value of Sex-Disaggregated Data](#), October 2016.

²² Center for Global Development, ["The COVID-19 gender and development initiative."](#)

²³ Bill and Melinda Gates Foundation, CGAP, Digital Cash Transfers in the time of COVID-19: Opportunities and Considerations for Women's Inclusion and Empowerment, World Bank Group. 2020."

²⁴ Mayra Buvinic and Ruth Levine, [Closing the Gender Data Gap](#), 2016.

for Financial Inclusion, International Monetary Fund, Financial Alliance for Women, and Women's Financial Inclusion Data, among others – with the World Bank focusing on public sector solutions, while IFC focuses on the private sector ones.

Tailored financial products are essential to meet the needs of women businesses and deliver support across business lifecycle (from early stage to growth) to difficult markets. Access to finance is often cited as a main constraint to the growth of female-owned enterprises. Prior to the pandemic, WSMEs in developing countries faced an estimated finance gap of over \$1.7 trillion.²⁵ The pandemic further induced disproportionate economic impact on women with WSMEs reporting decrease in cash flows, delayed ability to make payments and much higher loan rejections.²⁶ Women startups are worse off with only 9% of women-led companies, on average, accessing venture capital in emerging markets compared to male counterparts.²⁷ The worldwide disruption offers an opportunity to rethink financial systems to deliver tailored products for women. An increasing number of global actors are coming together to make progress in this area, including multilateral development banks, international organizations, and non-profits including ASPEN, Bill and Melinda Gates Foundation, and UN Women.

D. PROGRAM DESCRIPTION

The program activities will build on existing WBG (We-Fi) project activities and/or include innovative activities working with public, private, and other existing and new partners. The proposal design builds on the growing body of rigorous evidence on what works and what does not work to promote female entrepreneurship, including work by the WB Gender Innovation Lab and Development Impact Evaluation Department, and by the academic community.²⁸ The World Bank will implement joint and complementary activities with IFC, in a joint public-private approach for WSMEs, scaling up current activities and implementing new pilots in all regions and eligible countries, with a focus on upstream activities and broader market creation.

The World Bank proposed activities are aligned with the IFC proposal featuring the unique value proposition of the WBG, bringing together and leveraging both public and private sector activities to address the constraints faced by WSMEs. Our WBG approach is rooted in a series of strategies jointly adopted by the World Bank and IFC (see IP implementation record section). Similar to the 1st and 3rd call proposals, opportunities for collaboration and alignment across the World Bank and IFC have been identified at the global and country levels, including the areas of business-enabling environment, entrepreneurship and innovation ecosystem, financial infrastructure and products, gender data and impact assessments, research and knowledge sharing. See box below.²⁹

²⁵ IFC Enterprise Financing Gap Database.

²⁶ World Bank Group, [Enterprise Surveys data](#).

²⁷ IFC, [Venture Capital and the Gender Financing Gap: The Role of Accelerators, Research Snapshot](#), February 2020.

²⁸ [WB Gender Innovation Lab](#) and [Development Economics Department](#).

²⁹ While we are proposing an aligned WBG approach, the World Bank and IFC are two separate legal entities with separate legal agreements under We-Fi as well as different program and project management processes and tools, timelines for data collection and M&E systems, etc. We report separately to the We-Fi Trustee. The World Bank and IFC worked together through the process and developed two separate proposals building on the comparative advantages of both sides.

Box: WBG approach and potential collaboration across the World Bank and IFC

Examples of alignment and collaboration across the World Bank and IFC include:

- **Business environment:** IFC relies heavily on data collected through the World Bank on gender related issues. For example, the Women, Business and the Law report outlines legal impediments to women's full economic participation. The WBG We-Fi teams collaborate on WBL-informed reform advisory. The WB We-Fi reform team has been part of IFC engagements to promote reforms for WSMEs.
- **Entrepreneurship and innovation ecosystems:** IFC's work with entry stage private sector players is complemented by the World Bank's focus on working with public sector to build healthy innovation ecosystems, made up of human capital, research and development institutions, financial capital, the legal and regulatory environment, business and innovative culture and skills, and the equality networks. See WB We-Fi Pakistan example on page 19 with WB and IFC promoting early-stage finance for women.
- **Financial infrastructure:** The World Bank's legal reforms to create secured transaction systems are necessary complements to IFC's banking and value chains finance work under We-Fi. Secured transactions systems help WSMEs establish credit histories, enabling banks and non-bank financial institutions supported by this program to better assess and mitigate the risks of lending to women.
- **Gender data:** The World Bank and IFC are equally committed to understanding and testing the role that data can play in supporting financial inclusion for women, and together, with others participate in a variety of efforts to promote the collection and use of sex-disaggregated data, i.e. Data2X alliance to work with financial institutions to collect and report sex disaggregated information on clients.
- **Impact assessments and research:** Over the years, the Bank and IFC have pioneered impact assessments, and effort that link the broader policy dialogue to individual private sector projects. Both institutions also develop research that informs WSME product development.

The overall goal of the WBG WeFi Program is to address barriers to access finance and markets those women businesses face in developing countries and provide complementary non-financial services that address constraints at multiple levels for WSMEs.

The World Bank will work on “Leveraging Finance, Data and Digital for HER” which builds on the WBG’s track record and unique arrangements with governments and other stakeholders. The program proposes to strengthen the capacity of central banks, regulators, financial institutions, and non-bank financial institutions to better serve WSMEs. The component will promote the collection and use of sex-disaggregated data to drive access to finance for WSMEs in the spirit of the WE Finance Code initiative proposed by the We-Fi Secretariat. The sex-disaggregated data collection and use activities will be implemented with the World Bank network of global partners and through country advisory pilots and World Bank lending operations. The activities will also aim to promote development of financial products and services for WSMEs, including access to early-stage finance leveraging the investment readiness program developed in Pakistan. The World Bank will work closely with over 60 financial sector authorities, credit reporting bureaus, central banks, development banks, members of the International Committee on Credit Reporting, and over 30 incubators/accelerators and other partners in pipeline projects to accelerate the deployment of good practices to support WSME finance – potentially influencing sex-disaggregated data and WSME products in over 50 countries. At the global level, the proposal will develop new international benchmarks that would become available for 124 countries.

The multidimensional nature of the challenges faced by WSMEs in starting and growing their businesses, especially in lower income countries, demands a tailored holistic approach. The WB program interventions on finance, and collecting sex-disaggregated data, will be supported by complementary

systemic reforms to create conducive enabling environments and inclusive entrepreneurship ecosystems for women businesses to grow and thrive. The latter includes regulatory reforms such as the Women, Business, and the Law reform advisory, fostering access to networks and building effective debt resolution, insolvency, and alternative dispute resolution (ADR) systems. These are likely to benefit women-owned and women-led businesses beyond direct We-Fi beneficiaries, such as firms in the informal sector. The program will also conduct research, impact evaluations, advocacy, and outreach.

Program Components

Component 1: Promoting collection of sex-disaggregated data for financial inclusion

Collection of sex-disaggregated data has the potential to increase the availability of tailored financial products and services that meet WSME needs. Increased data makes it easier to assess business viability and repayment rates of women business clients, as well as how they use financial services. This data can also help authorities and financial institutions to set and track targets to achieve gender-equitable finance goals. In the spirit of the WE Finance Code, the World Bank will work to expand the systematic collection and use of sex-disaggregated data by central banks, regulators, and credit bureaus. To do so, sex-disaggregated data collection activities to expand WSME access to finance will be incorporated into existing and future operations at the country and global levels.

Potential Country Interventions:

- Support central banks and regulators to integrate gender in their framework for collection of data, analysis, and impact assessment of (W)SME lending.
- Provide assistance to regulators and state-owned commercial banks to collect sex disaggregated data on loan portfolios, data around the procurement of women-owned firms for government contracts, and sex-disaggregated data on venture capital and private equity to women-owned firms.
- Expand existing financial sector technical assistance country engagements and line of credit operations to support national financial sector authorities and/or state-owned commercial banks to collect sex-disaggregated data.
- Incorporate sex-disaggregated data conditions into pipeline World Bank lending operations. Such conditional provisions may encourage financial sector authorities to build sex-disaggregated data collection mandates from financial institutions and widen data availability on WSMEs.
- Support collection of sex-disaggregated data within credit reporting systems (CRS).³⁰ This could also involve the scaling up of psychometric and algorithmic scoring models to reliably identify credit-worthy female borrowers with limited credit histories.

Support for systems for the collection and analysis of sex-disaggregated data will also be accompanied by capacity building on monitoring and evaluation methodologies for measuring success and impact of WSME policy interventions.

³⁰ Credit reporting system are the institutions, rules, procedures, standards and technologies that enable the exchange of credit and other relevant information.

Potential Ideas/Examples from the South Asia Region (SAR) (Bangladesh, Nepal, Sri Lanka)

Support Central Banks/financial regulators and supervisors to integrate gender in their framework for collection of data, analysis, and impact assessment of SME lending so as to (i) monitor market developments effectively; (ii) develop policy responses for WSMEs; (iii) assess effectiveness of policy responses for WSMEs.

Several countries in the SAR do not have established uniform frameworks for collection of data, analysis, and impact assessment of (W)SME lending. Data reported by the financial institutions regulated by the Central Banks and supervisors are fragmented, inconsistent, irregular, and do not include necessary level of granularity to improve access to finance of WSMEs. The project will promote women financial inclusion by (i) supporting the development of reporting frameworks to enable Central Banks and other financial regulators to strengthen access to finance of WSMEs, (ii) preparing comparative analysis of international practices, sharing knowledge between Central Banks in SAR and other countries on WSME finance reporting and analysis, (iii) developing recommendations for impact monitoring and M&E framework for the assessment of WSME finance intervention policies and instruments, (iv) assisting Central Banks with developing recommendations for technical solutions/regulatory technology to streamline WSME finance data collection and analysis; (v) building capacity and sharing knowledge on the good practice for public disclosure of information on WSME financing, and (vi) conducting workshops and knowledge sharing events with lenders to discuss their practices, share experience of other countries, deepen acceptance, and facilitate implementation of new reporting requirement.

Potential Global/Research/Knowledge Activities in collaboration with and complement to existing financial inclusion data initiatives, such as the Global Findex database:

- Develop global guidelines and policy guides for the collection of sex-disaggregated data supported by in-country pilots to inform the global instruments.
- Conduct sensitization initiative on the collection of sex-disaggregated data for financial sector authorities and private sector providers.
- Incorporate gender-related data questions into the WB flagship periodic surveys, such as the Global Payment Systems Survey (GPSS) and Global Financial Inclusion and Consumer Protection (FICP) Survey, to track progress and effectiveness of financial sector authorities on expanding gender finance by collecting and monitoring sex-disaggregated data, including in payment systems, financial inclusion, and financial consumer protection initiatives.
- Launch a new global survey instrument on gender-tailored practices of financial service providers and experiences of WSMEs in accessing finance. Following the success of a pilot survey to understand the preferences of WSMEs in Nigeria, the expanded dedicated survey instrument would provide a global and cross-country footprint on the WSME financing experiences to inform product development by other country clients.

Potential Ideas – Global: International Committee on Credit Reporting (ICCR)

Develop ICCR global policy guidelines on the collection of sex-disaggregated data by credit bureaus and registries.

Supporting credit reporting systems to develop and incorporate solutions to reliably identify and monitor WSMEs in their portfolio would help financial institutions, digital platforms, and others to consistently and confidently offer their products and services to WSMEs and monitor the coverage of WSMEs in their portfolio etc. This could also promote scaling up of psychometric and algorithmic scoring models, already piloted in some countries, to reliably identify credit-worthy women borrowers with limited credit histories.

The ICCR is the only international standard setter in credit reporting. The ICCR is composed of 23 members, including private sector service providers, Bank for International Settlements, and WBG. Of these, 12 members are Central

Banks and regulators from G20 countries, and three service providers associations from Europe, Asia, and Latin America. The World Bank acts as the Secretariat to the ICRR and has previously worked with ICRR to facilitate greater SME financing through improved credit reporting and applying alternative data to enhance credit reporting.

WB will support the development and dissemination of global guidelines for the collection of sex-disaggregated data by credit bureaus and registries, implement an in-country pilot project to inform an ICRR global policy guide, and conduct sensitization initiative for financial sector authorities and private sector providers. WB will support direct technical assistance to revise the data collection template and manuals, conduct sensitization events (including capacity building and training), and support bureau and data providers system adjustments for data submission.

The World Bank is strongly committed to financial inclusion and a potential WE Finance Code. As a founding member of numerous related initiatives, the World Bank has established a network of 60+ international partners, including central banks, regulators and financial institutions. We-Fi support will enable the Bank to play an active role in the initiative and build capacity to leverage ongoing projects for the WE Finance Code. Our proposed role is centered around providing expertise and technical assistance globally and to client countries as specified above, leveraging ongoing work with dozens of countries and partners, and building on the dialogue among all partners involved in the WE Finance Code already.

Component 2: Expanding Finance for WSMEs

The World Bank will provide support to financial sector authorities and development banks to expand finance for WSMEs and seek to promote early-stage finance for women through a data-driven approach. To do so, the World Bank will provide capacity building and technical assistance to financial sector authorities (typically development banks) that can work to expand available finance solutions to WSMEs. Potential interventions also include support for WSME diagnostic assessments to understand local constraints, design of overarching national WSME Finance strategies and implementing incentives and deploying blended financing solutions to encourage financial institutions to expand on-lending to WSMEs. These diagnostic assessments, similar to the ones conducted in Pakistan and Nigeria, will be mainstreamed across the portfolio to become a standard part of country engagement under both themes and across WBG. The World Bank will also work with governments, and other partners to promote digital financial solutions that meet WSME needs, including scaling up of the Nigeria digital cash flow lending product to new countries. Finally, the World Bank will also promote access to early-stage finance for women.

Potential Country Interventions:

- Support the increased tailored products and enabling environment for WSMEs to access finance, including targeting government COVID response to WSMEs through lines of credit. The activities will include: 1) development of WSME financing studies and market diagnostic studies on supply and demand side constraints towards WSME access to finance; 2) design of WSME Finance Strategies. 3) design of National Finance Inclusion Strategies with WSMEs as priority for action; and 4) direct support to financial authorities directly engaging with FIs.
- Support to development banks and state-owned commercial banks to develop digital financial products and services, including solutions for savings, targeted at women-owned SMEs.
- Work with financial sector authorities to leverage innovation facilitators for advancing access to financing for WSMEs. This includes incorporating support for fintechs and financial institutions within

sandboxes, accelerators, and innovation hubs to encourage development of WSME products and services.

- Conduct TechSprints to bring public and private resources together to create rapid prototypes for technological solutions to meet the challenge of access to finance for WSMEs.
- Enhancing the enabling environment for women's access to digital finance, including supporting WSME adoption of digital payments to expand increased credit information and access to financing through supply chains.
- Pilot new tools for catalyzing fit-for-purpose investments in innovative women-owned start-ups.
- Support women founded early-stage businesses to raise capital from investors (early-stage financing, venture funds, angel investors, family offices) with a planned scale up of the Pakistan experience (see box on the Pakistan early-stage finance approach).

Box: WB We-Fi Pakistan Early-stage Finance for WSMEs' holistic approach

The WB We-Fi Pakistan project is working with government and public and private sector intermediaries to offer new and customized products and services for WSMEs and build a pipeline of investment ready women ventures. Pakistan's comprehensive country-wide approach is unlocking early-stage finance for high-growth enterprises in Pakistan and serves as a model for other countries.	
Program Activities:	<ul style="list-style-type: none"> • Collected new data on Pakistan ecosystem and women – published in the "Pakistan Startup Ecosystem Report" • Enabled WBL Legal and Regulatory Reform Dialog • Enabled reform dialogue allowing (foreign) diaspora investment • Developed Investment Readiness Training • Launched <i>WeRaise</i>, a new WB We-Fi initiative providing customized coaching and support for WSMEs • Supported sex disaggregated data collection
Results to Date:	<ul style="list-style-type: none"> • 327 women businesses trained in Investment Readiness • 28 trained incubators and accelerators now offering new products, services, or approaches to WSMEs • 9 women received customized <i>WeRaise</i> training • \$1.5 million raised in seed finance under <i>WeRaise</i> • 1 WBL Reform Enacted • Publicly available Deal Flow Tracker, tracking startup investments (including women) • Investment readiness training scaled up to other MENA countries

Potential Ideas from the LAC Region: Colombia, Haiti

Colombia: We-Fi could support the development and strengthening of the WSME fund through technical support for the design, structuring and initial implementation of the FME (e.g., equity, loans, etc.). The FME was established as part of the COVID-19 reactivation strategy in June 2021 and integrated into the National Entrepreneurship Policy as a permanent initiative by law in December 2021. We-Fi financing would leverage around USD 14 million in public investments in WSME finance as well as a recently launched IFC advisory service on strengthening the entrepreneurship ecosystem in Colombia.

Haiti: We-Fi support/technical assistance would support the design and implementation of a strategy for sex-disaggregated data collection for financial institutions, proposing tools and operations manuals embedded in the

reporting systems of financial institutions. Trainings would be conducted, including to the public development fund that is acting as financial intermediary for a line of credit and a partial credit guarantee financed by a \$75 million USD World Bank project.

Potential Projects/Ideas from the EAP Region: Cambodia, Indonesia, Philippines, Timor-Leste.

Digital Innovations for Early-Stage Financing: Women-Led startups received only 2.3% of VC Funding in 2020 (HBR, global estimates based on CrunchBase) and this problem is exacerbated in countries in the EAP region. Two key constraints prevail: on the one hand, gender biases in investment decisions - often stemming from unconscious biases of investors - systematically disadvantage female founders. Simultaneously, the range of financial instruments are inadequate to meet the needs of female-owned firms, who tend to be more averse to dilution of ownership equity and be more exposed in relationships with largely male investors.³¹

A pilot initiative, the Growth Algorithm, jointly supported by the World Bank and the International Finance Corporation (IFC), invested in developing a data-driven tool for predicting high-growth women-owned SMEs in emerging markets, and a viable model for investing in them, drawing on innovative revenue-based financing and profit-sharing models. Through partnerships with VCs, accelerators, and seed-stage investors in the EAP region this initiative will pilot new tools for catalyzing fit-for-purpose investments in innovative women-owned startups in EAP.

Upscaling Digital Finance through Bank-Fintech Partnerships: The volume of digital lending in the EAP region has grown dramatically over the past five years, accelerating further over the course of the pandemic. The value of the fintech lending in the EAP region has grown 1,800% since 2018, and digital loans now comprise nearly 5% of total business lending in the region.³² While access to digital loans can open up new opportunities for firms in EAP, and while gender balance of digital loans in EAP is relatively good, a key limitation is that digital loans tend to be short-term, nano or micro loans targeting micro-enterprises. Larger loans, longer-term loans to women-owned SMEs- who would be poised to benefit from both the privacy and convenience afforded by digital delivery and from the lower requirements for asset collateral for digital loans – remain a missing and underserved product segment.

A pilot program in Indonesia launched in 2019 partnered digital peer-to-peer lenders with private commercial banks and regional development banks in channeling partnerships, where the fintech provided the technology and the banks provided the capital to deliver larger digital loans to women entrepreneurs. The pilot with three banks and one peer-to-peer lender channeled US\$85 million in new, upscaled digital loans to women entrepreneurs, demonstrating the viability of bank-fintech channeling partnerships for reaching women SMEs. Leveraging the continued growth of digital lending, a second phase of this activity will explore the expansion of fintech-bank channeling partnerships to take meso digital lending for women entrepreneurs to scale in the region.

The low level of investment in female owned firms is sub-optimal from the perspective of investor returns, with capital misallocated to lower-performing male-owned firms due to biases in the selection process. Demonstrating proof-of-concept and profitability of an alternative selection model, which limits selection bias, is therefore likely to yield significant gains. The initiative would target a 50% increase in the number of women-owned firms financed by participating early-stage investors and seek to scale the selection model across four countries.

³¹ [Venture Capital and the Gender Financing Gap: The Role of Accelerators](#). We-Fi Research Snapshot. World Bank Group and Village Capital, February 2020.

³² [The Future of Southeast Asia's Digital Financial Services](#), Bain & Company/Google, October 2020.

Potential Global/Research/Knowledge Activities:

As part of the holistic approach, the World Bank will promote research, impact evaluations and sharing of best practices around the design and deployment of innovative financial services, and policy interventions to unleash financing for women and to ensure women businesses seeking financing are protected from discrimination or unconscious bias in financing.

Examples of Potential Projects/Ideas from EAP Region: Early-Stage Finance Impact Evaluations

The proposed activity is an Impact Evaluation to test interventions (through existing digital platforms as well as offline mechanisms) to strengthen access of women founded startups to (i) networks for advice, mentoring and partnerships; and (ii) networks of early-stage investors. The gender gap is most stark at the funding level. VC firms tend to invest in familiar social networks and the lack of diversity in these firms puts women founded startups at a disadvantage. The activity will also explore potential interventions at the VC level to address “unconscious bias”.

Potential impact/results:

The activities under “Leveraging Finance and Data for WSMEs” program will leverage the ongoing World Bank work with country governments, over 20 financial authorities, 10 credit reporting bureaus, 12 central banks, 5 development banks, as well as the International Committee on Credit Reporting members, several central banks and banking supervisors, other relevant national authorities, industry associations; and data/consumer protection agencies; as well over 30 incubators/accelerators and other partners in pipeline projects – potentially influencing sex-disaggregated data and WSME products in over 50 countries. The interventions will also be scaled through the WBG portfolio operations that include lines of credits.³³ At the global level, the proposal will develop new international benchmarks that would become available for 124 countries.

Complementary interventions on reforms and research, and skills

The data and access to finance activities will be supported by cross-cutting interventions on reforms, research, and skills as part of the WB We-Fi holistic approach. A frequent gap cited by financial institutions is that WSMEs lack appropriate financial and business skills – both for managing their enterprise and those needed to demonstrate creditworthiness. The World Bank will support financial sector authorities, development banks, and FIs to advance awareness and access to programs, products, and services designed for women entrepreneurs, and to equip them with skills and knowledge needed to make appropriate financial decisions, including the use of digital tools and solutions. World Bank will also provide training on managerial, and marketing skills. The WB We-Fi projects will be designed to leverage the country portfolio and inform, leverage, and support ongoing lending operations.

³³ For example, We-Fi support enabled the development and inclusion of a 30% target in the line of credit under the Cyclone Idai & Kenneth Emergency Recovery and Resilience Project in Mozambique in FY21, and mobilized additional \$4.5 million for women businesses

i. **Strategic Partnerships:**

The WB We-Fi Program has built a network of over 55 public and private sector partners, leveraging WBG convening power and scaling up existing global, regional, and country partnerships. WB We-Fi builds on the WBG inclusive partnerships approach to achieve results at scale, transforming economies and societies; and WBG's Maximizing Finance for Development approach to systematically leverage all sources of finance, expertise, and solutions to support developing countries' sustainable growth and help level the playing field for the poorest. In every country, WB We-Fi teams are part of the country's strategic dialogue with the government counterparts and work with other public sector authorities, private sector partners, international organizations, academia, and NGOs, including with local women and industry organizations through a consultative process to reach WSMEs (see box on WB We-Fi Partnerships below).

Box: Current WB We-Fi Partnerships

WB We-Fi Expanding Network of 60+ Partners to develop joint product and services for WSMEs:	
Public	Ministries of finance, SME, industry, gender/women and tourism; Security Exchange Commission; central and development banks; and public procurement agencies and other authorities; business registrars.
Private	Corporations that made pledges to supply from WSMEs (i.e. Apex Footwear, BRAC bank, DBL and Gemcom Groups, and Knit Asia), dozens of incubators, accelerators, and investment funds; banks (including Access Bank, Sterling Bank and Zanaco Bank), United Parcel Service (UPS).
International	AfDB, ADB, EBRD, Global Shea Alliance, IFC, IDB, IsDB, International Trade Centre, UN Capital Development Fund, UN Women, WeConnect International.
Academia, NGO/other	BRAC Institute of Governance and Development, Cologne University, Leuphana University, and North-South University; and NGOs including the Bangladesh SME Foundation, chambers of commerce and other local women and industry organizations through a consultative process to reach WSMEs.

Going forward, the WB We-Fi network will build on past successes and expand partnerships for impact and scale. The program will seek to reach additional 60+ partners. Similar to the previous round, the projects will leverage existing country, regional and global partnerships with both public and private sectors. These partners will include increasingly central and development banks, and financial institutions, and new partners such as regulators, standard setters, and credit bureaus. At the global level, the team will work with partners such as the International Committee on Credit Reporting members, several regional financial institutions (, central banks and banking supervisors and other relevant national authorities, including industry associations; and data/consumer protection agencies. The World Bank will also leverage the Global Partnership for Financial Inclusion (GPFI) for all G20 countries, interested non-G20 countries and relevant stakeholders to carry forward work on financial inclusion, including implementation of the G20 Financial Inclusion Action Plan, endorsed at the G20 Summit in Seoul. The World Bank also participates in standard-setting initiatives with – among others – Committee on Payment and Settlement Systems (28 central banks), Financial Action Task Force (on Money Laundering) (39 member states), Financial Stability Board. The activities will also leverage partnerships with women data initiatives.

ii. **Blended Finance & Results Based Mechanisms (RBMs):**

As an overarching principle, the WB teams aim to utilize Results-Based Mechanisms (RBMs) whenever possible. The WBG utilizes all results-based mechanisms (RBMs) listed by the We-Fi guidelines in its operations to align outcomes and incentives across stakeholders and the World Bank also advises country clients and implementation partners on the use of RBMs during implementation of country programs. Under the WB We-Fi program, implementing partners are contracted under a **pay-for-success contracting** mechanism to ensure that each activity works toward the project's objective. Under the arrangement, service providers will 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. The other instruments have been used when leveraging RBM deployment for WSMEs, including 1) develop components targeting WSMEs under WB lending operations, such as business competitions; 2) provide technical assistance to clients on the use of those RBM instruments; and 3) contribute to further our understanding on the RBM instrument impact for WSMEs through research. (See examples of the results-based mechanisms in We-Fi interventions in the table below).

Table: Blended Finance and Results Based Mechanism (RBMS)

Instrument	We-Fi Intervention – Ongoing and Potential
Impact Bonds	WBG is increasingly using impact bonds in portfolio operations across a range of sectors. The first World Bank MENA Development Impact Bonds that targeted youth and women, for employment, health, or education. The DIB is currently financing the training, job and support services to beneficiaries through service providers based on demand from the private sector. Specific outputs and outcomes include the completion of beneficiaries' training, their placement into an apprenticeship/internship/work-based training scheme, and their ultimate employment and job opportunities.
Blended Finance³⁴	The World Bank will be advising development banks on the use of results-based mechanisms including blended finance especially for higher-risk projects with potential for positive, measurable social and environmental impacts in areas of great need, such as in IDA and FCS countries. This could include leverage of other facilities to provide liquidity or working capital to financial intermediaries that incorporate a gender lens. For example, the current WB We-Fi Sahel project is working with the Global Agriculture and Food Security Program (GAFSP) multilateral blended finance facility.
Pay for Success Contract	Implementing partners have been contracted under a pay-for-success contracting mechanism to ensure that each activity works toward the project's objective. Under the arrangement, service providers will 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.
Challenge Funds/ Business Plan Competitions	We-Fi funding could be directed to design and develop challenge funds to catalyze innovative solutions/approaches to development challenges by women businesses. For example,

³⁴ Development Finance Institutions (DFI) Working Group, [DFI Working Group on Blended Concessional Finance](#), Update December 2020.

	current program informed development of components of WBG operations in Djibouti, Mozambique, and others to target innovative WSMEs through competitions/challenges.
Outcome-based Pricing	WB We-Fi current program has informed partners on the use of outcome-based pricing for supply-chain aggregators/other projects which can have a catalytic effect in mobilizing private sector resources. For aggregators, a gender diverse, resilient supply chain attracts affordable financing. For WSME suppliers, inclusion into larger supply chains provides steadier revenue streams and improves access to finance.
Awards and Prizes	The program has used prizes to catalyze innovation in MENA countries and would be used to inform other operations. An impact evaluation is ongoing on the use of incentives to deliver training to women entrepreneurs.

Results Based Mechanisms will be utilized whenever possible. The percentage is likely to be similar to the current WB We-Fi Program, where RBMs are used in all country projects – i.e. 75% of the portfolio. Under the proposed activities, the teams are likely to use mostly the last four listed instruments: pay for success, challenge funds, awards and outcome-based pricing. The projects will also aim to incentivize clients and partners to use RBMs, including advising the development bank partners on the use of blended finance instruments. Bonds may be part of the research efforts to develop lessons from ongoing WB operations that use bonds as an instrument to support women.

E. Program/Project Beneficiaries:

The primary beneficiaries under this program are women-owned/led enterprises, no matter where they are in the business lifecycle.³⁵ All activities will follow the following We-Fi definition of WSMEs:

We-Fi 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.

We-Fi Definition of Small and Medium Enterprise

- **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 \$50,000 and \$15 million
- **For finance projects:** the IFC definition should be used as-is, including the loan (financing) proxy³⁶

³⁵ Individual women will be considered as indirect beneficiaries per individual program beneficiary section.

³⁶ **Definition of SME / VSE:** The IFC SME and VSE definitions are as follows:

- For SMEs:** two of the following three 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

The program will also work with a range of intermediary beneficiaries to reach WSMEs as customers, clients, and suppliers to build the supportive entrepreneurial ecosystem that is fundamental to the success of individual industries and firms. Examples include public sector entities, regulations financial institutions, business associations, technology firms, and platforms and NGOs.³⁷

- Public sector entities involved directly or indirectly in promoting women's entrepreneurship such as line ministries, regulators, supervisory authorities, central banks and credit bureaus will benefit from technical assistance through country-level activities as well as global, regional and national policy dialogues.
- Financial institutions, including development banks, NBFIs, MNOs and other financial service providers, as well as accelerators, and funds that receive advisory support from We-Fi to increase their reach to WSMEs.
- Public and private sector clients that receive technical assistance to design and roll out new products targeting WSMEs.
- NGOs, including women and SME associations and other women organizations will benefit from partnerships and coordination with public and private sector players working toward similar goals of eliminating constraints faced by women entrepreneurs and promoting outreach to women.

When individual women are supported (rather than women businesses), those will be counted as **indirect beneficiaries**. The activities, including policy reforms and other broad-based initiatives, are also likely to benefit women-owned and -led businesses beyond the beneficiaries identified above, such as enterprises in the informal sector – although as per We-Fi definition these will not be counted as direct beneficiaries.

IV. IMPLEMENTATION ARRANGEMENTS

• **INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS**

Implementation of the We-Fi Program will be the responsibility of the World Bank, ensuring WB We-Fi is implemented by global and regional teams. The implementation arrangements remain the same as in previous proposals, promoting continuity and speed to commit resources. This also ensures consistency in program oversight, risk and M&E management, aligned with WBG systems. The We-Fi program management unit guides overall implementation and co-leads the outreach, advocacy, and policy work. Global practice, regional and country management units lead the implementation of country-level and global projects, and WB's Trust Fund Unit will handle the financial flows and financial reporting.

-
- **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](#))

For Very Small Enterprises (VSEs): firms with 5-10 employees or firms receiving loans between \$5,000 and \$10,000.

³⁷ The World Bank aims to work with intermediaries that have over 50% of women ownership and senior representation to empower women-owned and led firms, and we encourage our partners to do so too. One goal of the program is to develop women role models and mentors which enable women to pursue leadership roles and increase the percentage of firms with female ownership and senior representation. For example, in a number of countries we work with women owned and run NGOs. However, given the nature of our work in IDA/FCS, it is not feasible to have a requirement for women ownership or senior representation for working with those intermediaries.

We-Fi program management unit. The WB We-Fi management unit will continue to oversee the use of project implementation funds, including: (i) coordination across country and global teams, (ii) oversight of M&E to ensure high-quality and consistent data collection and reporting, (iii) liaison with implementing teams on program progress and challenges, and (iv) coordination with IFC.

Global and regional teams. Staff in these units will be responsible for all operational dimensions including: (i) design, implementation, and supervision of the technical assistance projects, (ii) country-level research and partnerships, including with IFC; and (iii) providing data and information on the work within each component to the Program Manager. Dedicated global gender experts and regional focal points will provide technical inputs and support to project implementation.

World Bank We-Fi program coordinates with the broader WBG network of experts and partners to deliver the program and promote knowledge sharing. Global programmatic activities such as advocacy, outreach, and policy work, will be implemented by regional and global teams, and central units such as External and Corporate Relations, as determined by We-Fi program management. Impact evaluations are coordinated by the Competitive Policy Evaluation Lab (Compel), collaborating with the Gender Innovation Lab and working with relevant EFI colleagues. Research and knowledge, including global data collection activities, are coordinated across the EFI VPU, Gender Global Theme, and WB Development Economics Vice Presidency. All projects will leverage the network of the gender focal points - staff designated to support work on gender and critical connectors among institutional, regional, and country levels; these staff often work together to provide needed operational solutions, translate knowledge, and mobilize support.

The program brings together public and private sector approaches, partners and technical staff. The WB and IFC work are aligned on business enabling environment, entrepreneurship and innovation ecosystems, market connect activities, financial infrastructure, gender data and impact assessment as per the previous joint WBG proposal. The World Bank teams work with IFC teams and both public and private sector partners to address supply and demand constraints that WSMEs face in every country. For example, the WB We-Fi Bangladesh market connect approach includes the Ministry of Industry, SME Foundation, two universities and over nine corporate partners who signed pledge letters to supply more from WSMEs, as well as close coordination with IFC colleagues who organized a series of roundtables with all counterparts to distill lessons on access to market with WSMEs. Furthermore, access to finance activities is implemented by joint WB and IFC teams in Bangladesh, Cote d'Ivoire and Zambia and include both financial sector authorities as well as key financial institutions in advisory roles.

WBG teams will contract civil society organizations, consultants, or experts as needed during implementation. The WBG teams will assess, in accordance with its normal operational framework, the institutional capacity of any executing entities prior to entering into any agreements related to We-Fi deliverables. To the extent possible, procurement decisions will also reflect an emphasis on working with women run/women-led organizations in the non-profit sector and local communities.

WB We-Fi program builds momentum around women economic empowerment through stakeholder dialogue at the global, regional, and country level. At the global and regional level, the engagement is through WBG gender partnerships, network, and events and the We-Fi platform; at the country level through country strategic dialogue, and through extensive stakeholder engagement around project design

and implementation, including consultations with local women organizations and groups to widen outreach.

- **TRACK RECORD OF THE IP AND OTHER PARTNERS**

The program builds on the long track record of the WBG work on women economic empowerment and is aligned with the joint WBG Strategies and WBG Gender Strategy with an emphasis on building empirical evidence. The program leverages the strong performance of the current WB We-Fi program.

The World Bank has long been effective in delivering women’s entrepreneurship programs, piloting interventions for women and systematically reporting on results. This proposal builds on the strengths and synergies of the WBG, including leverage of existing WBG Strategies (see the box on joint WBG strategies), the IDA20 policy framework and the IDA20 Gender policy commitments, which aim to scale up productive economic inclusion; the Green, Resilient, and Inclusive Development (GRID) approach, which departs from previous development strategies by promoting economic growth that goes hand in hand with social inclusion and environmental goals; and the extensive and complementary network of public sector (WB) and private sector (IFC) clients in more than 140 developing countries. The WBG engages through policy dialogue, lending and direct investment in the private sector, joint research on what works and what doesn’t, aligned resource mobilization, and global convening of key stakeholders. The WBG track record was covered in detail in previous proposals, including WBG’s capacity to implement complex global programs and initiatives.

Box: Joint WBG Strategies

Joint World Bank Group Strategies

The WBG joint approach is rooted in a series of strategies including:

- **World Bank Group COVID-19 pandemic response.** In the last 18 months, WBG has mounted the largest crisis response in its history to help over 100 low- and middle-income countries fight the health, economic, and social impacts of COVID-19, deployed over \$157 billion in financing including over \$53.3 billion for IDA. A core priority area of the Bank’s covid-response is supporting businesses/SMEs to recover and grow post-pandemic.
- **Maximizing Finance for Development** is the WBG approach to systematically leverage all sources of finance, expertise, and solutions to support developing countries’ sustainable growth. This ensures the WBG looks to private sector solutions and encourages public-sector interventions that can crowd in the private sector.
- **WBG joint public and private sector gender strategy** draws on its expertise in both sectors with a special focus on closing access to jobs and asset gaps and enhancing women’s voice and agency.

The proposal will also leverage the implementation of the existing We-Fi Program that has demonstrated strong performance contributing significantly to the overall We-Fi results. The current WB We-Fi program is on track to deliver and achieve or over-achieve on end-of-program targets. In FY21 projects significantly increased disbursements and delivery of results.

- **97% resources commitment:** The program has committed 97% of We-Fi funding, majority of those within the first year of the funding round, including Round 3 funding received in August 2020.
- **80% IDA/FCS commitment:** The WB We-Fi program funds are 80% committed in IDA/FCS, across some of the most difficult markets, and 20% more than planned at the proposal stage.

- **33% disbursements with a fast speed to market:** WB We-Fi builds on existing pilots and approaches and leverages existing project activities and partnerships in each country, resulting in accelerated delivery to clients, particularly crucial during COVID-19.
- **15 times leverage of disbursed resources:** The program achieved a record increase of 300% in mobilization in FY21, securing \$133 million in additional financing towards the WSME agenda, 15 times leverage of disbursed funds.
- **54% of end-of-program targets achieved.** The program has achieved results across all indicators, over-achieved on two indicators, and achieved 54% of program targets on average. The program reached over 3,174 WSMEs (37% of end-of-program target). (See table on cumulative results).
- **The program is highly efficient in delivering results.** 54% of the current program target has been delivered with 33% funds disbursed.

The program has also contributed significantly to the overall We-Fi results. Based on the mid-term review (MTR) results, the World Bank is the main contributor on legal and regulatory reform, new WSME products by partners, and WSMEs trained and reached (54%, 53%, 47%, and 32% respectively) - with an IP allocation of 10% total We-Fi resources allocated to all IPs.³⁸

Table: Cumulative (FY20-21) Progress Towards Targets

WB RESULTS – ACHIEVEMENTS FOR WSMEs				
1,971 (92%)		7 (70%)		55 (157%)
Number of WSMEs that accessed entrepreneurial support activities from We-Fi supported institutions		Institutions with new system for gender data		Partner institutions offered products, services or approaches benefitting WSMEs
3,174 (37%)			\$133 million (69%)	
Total number of WSMEs supported by We-Fi			Additional financing mobilized for We-Fi supported activities	

WB We-Fi delivers innovation and knowledge and strengthens evidence for WSMEs. We-Fi enabled the teams to develop innovative models, some of which are being scaled up and expanded into additional countries. The teams developed over a dozen innovative COVID-responsive products, including market connect approach (Bangladesh, Mozambique), promoting women in agriculture value chains (Cote d'Ivoire), MUVA online acceleration and gender-centered design modules (Mozambique), digital cash flow lending product (Nigeria), investment readiness training (Pakistan), public procurement product (Senegal) and the cash flow lending product and investment readiness training are being scaled up to other countries. Implementing teams produced over 30 reports and analytical studies to inform country and sector strategies. The World Bank also launched two impact evaluations in Mozambique, and Nigeria and initiated two additional impact evaluations in Burkina Faso and in Morocco. The teams supported seven institutions to adapt system to collect sex-disaggregated data and new sex-disaggregated datasets were produced by WeData and WeTour. WB We-Fi projects and results were shared across 35+ global and local

³⁸ KPMG. *We-Fi Mid-term Review*. 2021.

events, roundtables, and webinars with stakeholders, including the WBG Gender Forum and We-Fi events across all IPs.

A. SUSTAINABILITY AND SCALE

World Bank interventions are designed to maximize sustainability, ensuring the longevity of the program and the expansion of its components into additional countries and regions. We-Fi teams will continue to develop lasting ties with public and private sector partners and leverage the existing infrastructure to deliver advisory support toward persistent reform agendas, building sustainability practices, models, and products that promote women's financial inclusion. World Bank We-Fi focuses on IDA/FCS countries, where demand for improved access to finance is high yet WSMEs remain underserved. The partnerships We-Fi forms with other institutions as well as broader reach through WBG projects contribute towards long-term sustainability; and impact of the program lasts through integrating We-Fi into country strategies.

The holistic approach and policy reforms by WB We-Fi ensure that the program's impact extends beyond its directly funded activities. WB We-Fi utilizes a holistic approach towards supporting WSMEs, tackling both the supply and demand constraints that women entrepreneurs face. Projects across the portfolio strengthen the enabling environment, working with governments and financial sectors to promote reforms to facilitate financial inclusion for women-owned businesses. Examples include the ongoing e-commerce payment reform advisory in MENA, public procurement in Senegal, and the Women Business and the Law (WBL) Reform Advisory that led to enactment of 3 reforms for women businesses and delivered thirteen reform memoranda across WB We-Fi countries. We-Fi teams focus on changing social norms and behaviors through capacity building. In Mozambique, 700 women entrepreneurs will participate in Social Gender Role training in FY22, which will focus on reducing perceived gender barriers. We-Fi Nigeria is improving the behavior of the private sector through producing gender sensitivity curriculum for loan officers at Access Bank staff in order to minimize discriminatory lending practices. The effects of these activities spread to additional WSMEs and other beneficiaries.

The program has had a multiplier effect reaching a wider population of WSMEs and other beneficiaries. The WB We-Fi results currently capture only WSMEs directly trained and reached by the program and through banks, as well as direct mobilization. The full impact of WB We-Fi is much wider through the WBG portfolio mobilization and effects on our intermediaries, partners, WSMEs and the broader enabling environment in each country. Women businesses will benefit from 1) WSME products and services offered by intermediaries and partners; 2) Design and approval of WB loan components targeting WSME; 3) Incorporation of gender/WSME lens across country strategies and portfolio; 4) We-Fi data, country studies, reports and analytical work informing WBG operations; 5) We-Fi products scaled up through the WBG portfolio; 5) Regulatory reforms benefiting women. See the details of the mobilization in the box below – in Mozambique alone about 3,500 women are to benefit from the two We-Fi designed components. The World Bank is planning discussions with the Secretariat how to better capture results. At the moment, banks are the only intermediaries whose results are captured in the WB We-Fi framework.

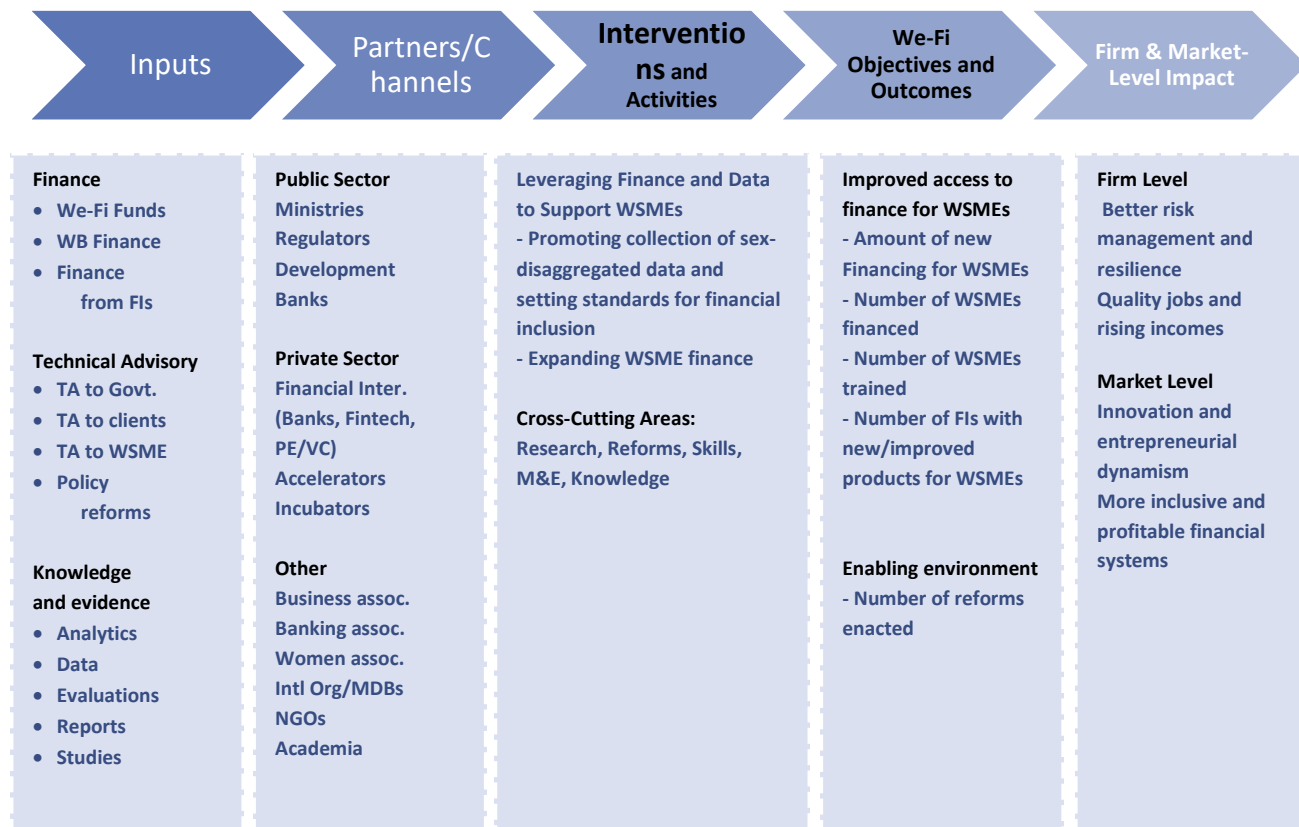
Table: WB We-Fi mobilization of WBG portfolio in FY21

COUNTRY: WE-FI DESIGNED COMPONENT	WE-FI MOBILIZATION
Côte d'Ivoire: matching grants, platform and capacity for women agribusiness	\$27.28 million
MENA: catalyzing women entrepreneurship and investment pipeline - financing of startups (a 30% target for WSMEs); business plan competitions for WSMEs	\$34.20 million
Mozambique: economic recovery, resilience, and diversification for WSMEs - line of credit for WSMEs (30% target); business linkages support (30-50% targets)	\$22 million
Nigeria: new digital financing loans for women businesses (private sector)	\$6.6 million
Ghana: sustainable tourism for women entrepreneurs - matching grants to promote WSME uptake of digital tools	\$4 million
Sierra Leone: economic diversification and tourism for women businesses - Matching grants to promote WSME uptake of digital tools for sustainable tourism	\$3 million
Egypt: implementation support for reforms targeting women businesses	\$0.5 million
Tunisia: implementation support for reforms targeting women businesses	\$0.07 million
TOTAL	\$97.7 million

B. THEORY OF CHANGE, RESEARCH, LEARNING AND KNOWLEDGE SHARING

The World Bank Theory of Change (TOC) demonstrates how the program activities with clients and partners contribute to the We-Fi objectives, and beyond that, how these activities will lead to anticipated development impacts at both the firm and market levels. This TOC is closely aligned with the overall WBG We-Fi TOC (Annex 4). WSMEs are expected to have improved access to finance, tools, and services as well as other non-financial services. Sex-disaggregated data collection will also play a vital role in understanding the challenges facing WSMEs and inform the design of policies, products, and services. The program's multidimensional approach and partnerships with the public and private sector will deepen and amplify the impact of World Bank interventions. This will lead to growth in productivity, sales and profitability; better risk management and resilience; and quality jobs and rising incomes. In addition, because women are more likely to invest their earning in their families' health and well-being, the program may also have a direct impact on the families of the women entrepreneurs, including the education and aspiration of their daughters.

Figure: The World Bank Theory of Change



In addition to the firm- and household level impacts described, We-Fi expects to have significant sustainable market-level impacts beyond the tenure of this initiative. The initiative aims to expand the pool and the quality of high-potential entrepreneurs as well as the ecosystem for supporting those entrepreneurs. Moreover, it will help create more resilient and inclusive financial systems that have a more diversified and competitive clientele and more advanced products and services. We-Fi supported activities will also foster more productive and inclusive platforms and/or value chains by diversifying and raising the quality of the actors in those platforms/value chains. Finally, it is the hope that the role models created through this initiative will empower woman and girls to continue to strive for equal access to education, finance and technology to achieve business success. By contributing to the level of entrepreneurial dynamism, inclusive financial systems, this program will contribute ultimately to the World Bank's twin goals of Ending Poverty and Boosting Shared Prosperity, and the Sustainable Development Goals (SDGs), most particularly SDG 5: Achieving Gender Equality and Empowering all Women and Girls, and SDG 8: Promoting Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All (as shown in the WBG We-Fi TOC in Annex 4).

Data Collection and Research, Impact Evaluations, and Policy Reforms and Outreach: To amplify the results of clients and partners at the global, regional, and country level, the WBG is implementing a set of global activities on data, impact evaluations, research, and policy advocacy to build and share knowledge, learn from experiences, and bring attention to women's entrepreneurship. We-Fi teams support global

data collection efforts to analyze the impact of COVID-19 on WSMEs and are leading the dialogue on reforms supporting women's businesses, including through WBL reform advisory program.

The WB We-Fi Impact Evaluations, led by the Competitive Policy Evaluation Lab (ComPEL) jointly with the regional Gender Innovation Labs and the Development Impact Evaluation unit, and in consultation with the Gender Global Theme, is coordinating impact evaluations to extract lessons from WB We-Fi projects, inform the broader policy dialogue associated with women's entrepreneurship and contribute to the effective design of future operations for WSMEs. Three impact evaluations have been launched in FY20-21 to assess the effectiveness of social gender role training combined with the facilitation of business services in Mozambique, the impacts of cash flow loans in Nigeria, and the effectiveness of training and vouchers for participating in e-commerce in Morocco. Also, an impact evaluation proposal is under review to assess the effects of providing access to digitized payment services along with quality traceability for agricultural products in Burkina Faso under the round III project (bringing the total number of committed evaluations to four).

The WB We-Fi Research: The World Bank continues to highlight research and gender data across the portfolio, developing and publishing over 30 analytical studies and reports by FY21. The research includes sector studies, including Rapid Industry Structure Analytics (RISA), *Women-Driven Value Chains for Fruits & Vegetables in Côte d'Ivoire* study, which is informing the country's agribusiness sector reforms, and country strategic documents, such as the [*Access to Finance and Capacity Building of Women-led Small and Medium Enterprises in Zambia*](#), which sets recommendations for WSME financial products at the national level.

The WB We-Fi Learning and Knowledge Sharing: The program will continue to produce sex-disaggregated data, operational best practices, and organize learning and knowledge sharing events to promote WSME product scale up and gender mainstreaming across WBG:

- The WB We-Fi program plays an important role in informing WBG global, regional, and country level strategies and country-wide approaches to gender and inclusive development. This was especially the case when developing gender inclusive COVID-19 emergency response measures and will continue to be vital. For example, with We-Fi support the WB teams informed the Cote d'Ivoire COVID emergency response in agribusiness, WBL reforms and WBG regional tourism and SME strategies in West and East Africa in FY21.
- The program will also continue to develop innovative solutions for WSMEs, scalable across WBG portfolio supporting women at all stages of the business lifecycle. Tools, products, and trainings developed with We-Fi support have already been adapted within the World Bank Group and leveraged by other programs. For example, the Pakistan Investment Readiness Training is being scaled up across MENA and the Nigeria digital cash flow lending product being scaled to neighboring countries.
- The proposed activities will ensure that best practices are established and shared more comprehensively and systematically across WBG teams as well as our counterparts and clients. The program will also continue organizing joint knowledge sharing events with IFC and other IPs.

C. MONITORING AND EVALUATION

The World Bank monitoring and evaluation team will use the results framework presented in Annex 1 to monitor and assess the development impact of each engagement. The framework flows from the theory of change described above. Activities under the program must demonstrate specific outcome targets and are expected to report on results indicators per World Bank governance standards.

The WB M&E plan is a comprehensive system to measure, monitor, and manage for development results and assess and learn how individual activities contribute to overall development objectives. The M&E framework includes: (i) designing program objectives and targets at the onset (results framework); (ii) ongoing monitoring, supervision, and data collection; (iii) capturing project-level results and lessons learned; (iv) analyzing programmatic outcomes and trends; and (v) conducting impact evaluations to support the evidence base for future interventions. The first WBG proposal provides more details.

Targets are set, and baselines are established/confirmed at the beginning of the program – baselines and annual targets are standard parts of the project operational documents approved by the management at the project concept note stage. Planning and coordinating data collection from multiple clients with different business models presents complex challenges, including timelines for data collection, lack of sex-disaggregated data, lack of baseline data, and poor data-recording practices at client level. Establishing baselines can be particularly challenging when there are gaps in available sex-disaggregated data. In those cases, the teams will document the data gap and conduct a baseline analysis for evaluation of program results. Once the baseline analysis is completed, the teams will work closely with relevant stakeholders and/or counterparts to map out and recommend steps to improve ongoing data reporting.

M&E, a crucial tool, for WBG and clients to effectively deploy limited resources to key challenges and risk management – WB We-Fi has a dedicated M&E Lead who provides support to teams around the year and teams collect data and report on results semi-annually. Capturing results or impacts is particularly important given the nature of technical assistance, especially in IDA/FCS contexts, outcomes may not be immediately visible, and impacts take longer to appear. In parallel, governments and clients are being challenged as never before by the demands of the global economy, new information and technology, and immediate needs of vulnerable populations, especially in lower-income IDA and fragile contexts. The pandemic has increased these challenges, accelerating the need for rapid and relevant responses through policies, programs, and relief efforts. Through WB We-Fi which includes results-based approach; client counterparts, partners and stakeholders are able to assess whether and how goals are being achieved over time. M&E tools also help identify risks and potential mitigation measures. This increased capacity contributes to better policies and programs, more efficient allocation of resources and longer-term sustainability of interventions. All WB We-Fi teams are required to collect data and report on progress semi-annually, sharing challenges and lessons learned with program management and other teams to promote knowledge sharing and better performance. The teams also participate in monthly operational WB We-Fi calls to discuss any issues and risks and promote new approaches across the We-Fi network.

While the M&E plan will be carefully laid out for each project, a competitive process has been put in place for conducting impact evaluations, as impact evaluation research is costly, context specific, and requires specialized skills. Each program goes through a rigorous technical review for selection. Only after

a careful consideration of the proposed methodology are the selected proposals allocated funding. As evaluations are being implemented, the technical WB team plans to conduct quality reviews, organize a series of country workshops to facilitate dialogue with country officials around the design, implementation, and findings of impact evaluations, and publish a series of policy briefs and a synthesis report. This same process will be used for this proposal. While impact evaluations usually take 3-4 years to complete, the findings from impact evaluations are expected to inform the design of other programs.

M&E milestones for the WB We-Fi program include:

- Establishing of annual and overall targets and baselines as part of the project approval process for implementation (project concept note stage – following World Bank operational guidelines).
- A mid-term review report and mid-year progress data collection – World Bank teams collect data and report on progress semi-annually and share lessons learnt and challenges with management and other teams to enhance the future performance.
- Annual progress report based on annual data collection (audited data) to report performance against targets. The annual report and data are submitted to the Secretariat.
- An end-of-program completion summary will be completed to provide an in-depth program performance overview and lessons learned.
- An IEG evaluation of the overall WeFi Facility will be conducted to provide an independent assessment.

Timeline

Global, regional and country-level project commitments will be made at the start of the program. Global research and knowledge sharing activities will be committed separately on a rolling basis during the first two years of the program. The extended timeline reflects the activities associated with the planned impact evaluations and post implementation monitoring and evaluation. Project activities will typically span two to four years. Evaluations typically require three to four years. We expect the program targets to be achieved within 5 years of program implementation. We believe the proposed holistic interventions will build strong foundations for WSME impact and result in continuous improvement year on year. We are therefore proposing to extend the period for capturing the program results for additional 2 years to fully capture the program impacts.

Milestones	Expected Dates
Start of Program Implementation	September 1, 2022
End of Program Implementation	June 30, 2027
Supervision End Date	December 31, 2029

V. RESULTS FRAMEWORK

This program intends to reach on average 8,000, (between 4,000 to 12,000 WSMEs) directly, an additional 5,000-10,000 WSMEs through intermediaries trained with We-Fi support and We-Fi informed WSME-targeting components of leveraged World Bank lending operations, and tens of thousands of other beneficiaries indirectly, including women as well as public and private sector partners benefiting

from policy and business environment reforms as well as growing empirical evidence on what works to support WSMEs.

The program is expected to mobilize an additional \$123,132,500 million in funding from the public and private sector, a 10 times leverage. The program will utilize result-based mechanisms (RBMs), such as pay for success and outcome-based pricing. It will advise clients on the use of RBMs, including blended finance. **The program is expected to reach over 60 global, regional, and country public and private partners to promote WSME access to finance and markets** – the overarching goal and the WBG We-Fi Program. **Program targets have been developed based on the experience from implementing the current WB We-Fi program.** Planned access to finance activities under this proposal are expected to yield higher results given experience, expected scale-up and higher outreach.

World Bank follows a conservative approach on results methodology – only counting directly reached WSMEs by teams and banks, excluding other intermediaries, and not including beneficiaries of additional funding and We-Fi designed components under mobilized WB lending operations. We propose to work with the Secretariat to align methodology with other IPs and agree on the best ways for the World Bank to capture all program results, i.e. including WSMEs reached by intermediaries trained by We-Fi if there is documentation and agreement similar to the work with the banks. **The World Bank will develop a detailed result framework with each team and confirm overall program targets** by the end of the initial approval stage at the onset of the program. An initial results framework is included in **Annex 1**.

VI. KEY RISKS IDENTIFIED AND MITIGATION MEASURES

The proposed program entails several potential institutional, political, fiduciary, and other risks. These risks range from low (environment) to high (COVID-19); however, mitigation strategies have been identified in each risk area. The World Bank Group has a well- developed and tested approach to incorporating risk management into its programs and advisory services, including attention to vulnerable populations and the environment. The Environmental and Social Framework enables the World Bank to manage the environmental and social risks of programs, covering a broad range of issues and making advances in areas such as transparency, non-discrimination, public participation, and accountability to improve development outcomes. The risks are assessed on an annual basis and monitored through standard systems of the WBG. The table in Annex 2 provides more detail on institutional, political, fiduciary, and other risks as well as mitigation measures, including COVID-19 risks.

All projects are required to develop risk identification and mitigation strategies as part of project preparation and implementation. The section below provides more information on risks and specific mitigation measures.

- **Activity Design and Implementation Arrangements:** The WBG has a long history of implementing SME programs and collecting and sharing lessons learned. WBG has risk frameworks and procedures in place. The proposed activities are informed by lessons from previous programs in the target sectors and countries, including from implementing the WBG We-Fi program and growing evidence on which interventions work for WSMEs evaluated by the WBG Gender Innovation Lab. Activities are scaling up existing successful pilots. To mitigate the risk that outcomes do not materialize, the initiative will devote significant resources to leveraging existing experience and adapting it to more fragile markets.

- **Political, Social and Governance Risks:** At least 70 percent of We-Fi funding will be allocated to activities in IDA/FCS, and the WB We-Fi program currently works in 80 percent IDA/FCS markets. The program will also work with women in under-served non-IDA markets, including rural and low-income areas, and seek to extend support to vulnerable groups, such as women migrants and returning migrants. The World Bank will routinely monitor political and security developments to remain alert to any situation that may require adjustments to its operation.
- **Fiduciary Risks:** In most countries, fiduciary risks are considered low or unlikely. The World Bank has robust systems that ensure We-Fi funds are managed and used responsibly. All third-party implementers in the case of advisory projects must undergo a process to be approved as World Bank Group vendors. World Bank will make fiduciary assessments of all key partners to ensure that their fiduciary arrangements, including the internal controls, are acceptable. Risk mitigation measures include training to strengthen capacity of the financial institutions and other partners involved in the delivery of the activities. All staff are certified to manage trust funds.
- **Environment and Social Safeguards/Standards:** Implementation of the program will be in full compliance with the World Bank's Environment and Social Safeguard Policy and program management systems, which signifies that executing agencies and other partners will have to integrate appropriate measures to be in compliance.
- **COVID-19 Risk:** Providing support to women entrepreneurs through the COVID-19 crisis is crucial to ensure business survival. As some We-Fi countries are experiencing third and fourth waves of the COVID-19 crisis, further challenges are expected by project teams. Some possible risks are:
 - **Uncertainty.** Clients, project teams and beneficiary WSMEs continue to face uncertainty in terms of the next steps. There is a limited appetite for risk and entrepreneurship, and the focus of the financial institutions and firms shifted from growth to survival.
 - **Social Distancing.** Due to severe public health repercussions of the COVID-19 pandemic, many countries enforced lockdown measures, preventing clients and teams from travel and meeting counterparts and WSMEs, and necessitated adjustments in program delivery as it caused delays in the original planning. Lockdowns are expected to prevail.
 - **Operational Delays.** The teams have faced challenges related to procurement processes and staffing in country offices, due to conflicting priorities of the counterparts, beneficiaries, and country offices with an increased COVID-19 response project.
- **Liquidity.** Firm-level liquidity risks are high due to repercussions of the COVID-19 outbreak. Reduced liquidity amid rising uncertainty and higher volatility in financial markets impact SMEs' access to working capital, causing increased bankruptcy/default risks.

VII. ANNEXES

Annex 1: We-Fi Round 4 Proposed Results Framework

Component	We-Fi Objective	Type	Indicator ³⁹	Units	Baseline	Annual Targets ⁴⁰					Total
						Year 1	Year 2	Year 3	Year 4	Year 5	
We-Fi Program Inputs	Mobilize resources from private and public sources that leverage We-Fi funding and augment number of interventions supporting WSMEs	Input	Total size of We-Fi programs & projects	USD	0						\$135,445,750
		Input	Size of We-Fi funding allocation	USD	0						\$12,313,250
		Input	Indicator 1: Amount of additional financing mobilized for We-Fi supported activities. Out of which:	USD	0	0	\$30,783,125	\$30,783,125	\$30,783,125	\$30,783,125	\$123,132,500
			IP Contribution	USD	0	0	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$100,000,000
			Public-sector contributions	USD	0						
			Private sector financing directly mobilized	USD	0	0	\$6,000,000	\$6,000,000	\$6,000,000	\$5,000,000	\$23,000,000
			Other funds mobilized (specify)	USD	0	0	\$50,000	\$50,000	\$30,000	\$2,500	\$132,500

³⁹ Standard Indicators defined by We-Fi Secretariat across Implementing Partners.

⁴⁰ Detailed targets will be developed and confirmed at the end of the project selection process and approval, i.e. end of year one.

Increased Access to Finance	Reduced gap in the level of financing & investing in SMEs owned by women and men	Outcome	Indicator 2: Amount of financing provided to WSMEs by We-Fi supported financial service providers. ⁴¹	USD	0	0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$40,000,000
			Out of which:								
			Loans								
			Equity Investments								
			Grants								
			Digital Financial Services								
			Other								
	WSMEs' are better able to engage, negotiate and access finance and investments	Outcome	Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	Number	0	0	1,500	1,500	1,500	1,500	6,000
			Out of which:								
			Loans								
			Equity Investments								
			Grants								
			Digital Financial Services								
			Other								

⁴¹ The targets have been developed using current overall WB We-Fi program implementation experience and results. The current portfolio has only a few but well performing Access to Finance activities hence lower current projections. We expect the planned access to finance activities to have higher results. Furthermore, World Bank's approach to capturing results has been conservative, not capturing intermediaries other than banks, and we are in discussion with the Secretariat to best align with IFC and other IPs that count some of the indirect impacts - including other intermediaries, and beneficiaries of additional funding and We-Fi designed components under mobilized WB lending operations.

Access to skills	Improved business practices and management skills among WSMEs	Outcome	Indicator 4: Number of women-owned/led SMEs accessing entrepreneurial support activities from We-Fi supported institutions. Out of which:	Number	0	0	1,500	1,500	1,500	1,500	6,000
			Business capacity training								
			Incubation & Acceleration								
			Other (e.g., STEM, online training etc.)								
	WSMEs increase access to digital services and tools	Outcome	Indicator 5: Number of WSMEs that increase their use of digital tools and services.	Number	0	0	0	0	0	0	0
Access to Markets	More WSMEs enter and thrive in new markets as suppliers, distributors, and producers	Outcome	Indicator 7: Number of WSMEs with enhanced market linkages, Out of which:	Number	0	0	0	0	0	0	0
			WSMEs with linkages to private firms								
			WSMEs with linkages to public entities								
Entrepreneurial	Increased focus on	Outcome	Indicator 8. Number of legislations and/or regulations drafted,	Number	0	0	5	5	5	0	15

<i>Ecosystem & Enabling Environment</i>	<i>identifying and addressing WSME regulatory constraints</i>		<i>revised by We-Fi IPs and/or partners to remove constraints and support WSMEs</i>								
			<i>Public Sector</i>								
			<i>Financial Services Providers</i>								
			<i>Corporates</i>								
	<i>Stronger evidence on the impact of WSMEs-support programs</i>	<i>Outcome</i>	Indicator 10: Number of rigorous impact evaluations commissioned by We-Fi Implementing Partners.	Number	0	0	0	0	0	0	0
<i>Overall We-Fi Results and Impact</i>	<i>Business case for financing & investing in WSMEs embraced by FIs, investors, corporates and other stakeholders</i>	<i>Output</i>	Indicator 11: Total number of partner institutions supported by We-Fi with new /updated products, services or approaches for WSMEs	Number	0	0	15	15	15	15	60
			Out of which:								
			<i>Financial services intermediaries</i>								
			<i>PE/VC Funds</i>								
			<i>Accelerators, incubators</i>								
			<i>Corporations</i>								
			<i>Public Sector</i>								
			<i>NGOs (local and international)</i>								

			Other								
	More WSMEs Thrive & Grow	Outcome	Indicator 12: Total number of women owned/ led SMEs supported by We-Fi.	Number	0	0	2,000	2,000	2,000	2,000	8,000 ⁴²
	Reduced gender biases in laws and policies	Impact	Indicator 14: Number of legal and regulatory reforms to remove constraints and support to women's entrepreneurship that are formally enacted.	Number	0	0	2	2	2		6

⁴² Targets have been developed using current WB We-Fi program implementation experience. We expect the planned access to finance activities to have higher results. World Bank's approach to capture results is conservative – only counting directly reached WSMEs by teams and banks, excluding other intermediaries, and not including beneficiaries of additional funding and We-Fi designed components under mobilized WB lending operations. Discussions are planned with the Secretariat to align methodology with other IPs and agree on broader approach to enable capture of full program results. As part of the programmatic approach, the World Bank will develop a detailed result framework with each team and confirm the overall program targets by the end of the initial concept note approval stage at the onset of the program.

ANNEX 2: COST AND FINANCING PLAN

The budget was established taking into consideration the potential project pipeline and funding needs, ongoing projects and expertise, value for money, ability to commit the resources and ensure speed to market, and delivery in IDA/FCS. Given the holistic World Bank We-Fi approach, each country project will include multiple components including enabling environment activities, and technical assistance that includes WSME capacity building and training. We included the budget at the activity level such as technical assistance (capacity building and training), and research. Unfortunately, the WB accounting doesn't allow for separation between capacity building and training. All budget numbers will be reconfirmed at the end of the project selection period and project design/approval.

Budget Categories	Amount (do not round) in USD						
	Investment Activities	Advisory/ Technical Assistance Activities	Grants to WSMEs	Total We-Fi Funding Requested	Expected mobilized funds	# of WSMEs Reached	Countries*
Leveraging Finance and Data to Support WSMEs		\$ 10,508,000		\$ 10,508,000			Global and country projects
Research		\$500,000		\$500,000			Global and country projects
Support activities (knowledge sharing, learning, advocacy, communications, M&E and operational support)		\$500,000		\$500,000			Global and country projects
Administrative Fee**				\$ 805,250			
Total				\$12,313,250	\$123,132,500	8,000⁴³	60% IDA/FCS
	* Programmatic approach with 60% IDA/FCS and We-Fi aligned selection criteria. Proposed activities are expected to cover all regions and over 10 countries, majority of them IDA/FCS. Final country selection to be carried out via an internal competition open to all World Bank teams, using We-Fi aligned selection criteria with a focus on IDA/FCS and within the parameters set out in this proposal. Changes between countries will be made at the discretion of						

⁴³ Mobilization and WSMEs reach targets are developed using current WB We-Fi program implementation experience. World Bank results capture approach has been conservative – only counting directly reached WSMEs by teams and banks, excluding other intermediaries, and not including beneficiaries of additional funding and We-Fi designed components under mobilized WB lending operations. As part of the programmatic approach, the World Bank will develop a detailed results framework with each team and confirm the overall program targets by the end of the initial concept note approval stage.

	<p><i>the IP and reported to the GC in the annual report as long as they are within the IDA/FCS split indicated in the proposal.</i></p> <p><i>** Based on the World Bank policies and guidance on the Trust Funds (TF), the Trust Fund Administration costs cover most activities undertaken by Central/Management Units and include costs related to the following tasks:</i></p> <ul style="list-style-type: none"> • <i>Formulate and implement the strategic TF framework, policies, procedures, guidelines and agreements.</i> • <i>Develop and implement TF accounting policies, procedures and controls.</i> • <i>Monitor TF Portfolio (at corporate and VPU levels).</i> • <i>Provide internal TF reporting (financial and non-financial).</i> • <i>Provide external TF reporting (financial and nonfinancial).</i> • <i>TF Single Audit process.</i> • <i>Manage Secretariat/GC donor/partner relationships (meetings, discussions and other communications in connection with active TFs).</i> • <i>Set-up and maintain Trust Fund Accounts.</i> • <i>Maintain trust fund master data records and TF transactions records.</i> • <i>Advise on issues of law as they affect the Bank's trust fund business.</i> • <i>Plan and hire staff/consultants under BETFs.</i> • <i>Plan and monitor TF resource budget.</i> <p><i>Support activities include cross cutting activities across all projects other than administrative/management activities listed above and operational/technical assistance, i.e., knowledge and operational best practice sharing, learning, advocacy, communication and M&E support.</i></p>
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WBG We-Fi Theory of Change

