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ABBREVIATIONS

BDS	Business Development Services
FI	Financial Intermediary
GBA	Global Banking Alliance for Woman
GC	Governing Committee (of the We-Fi)
GCM	Grants and Co-Financing Management Unit
IDA	International Development Association
IDB	Inter-American Development Bank
IDBG	Inter-American Development Group
LAC	Latin America and the Caribbean
LMIC	Lower middle-income countries
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MIC	Middle Income Countries
ONCAE	Office of Contracting and Acquisitions of Honduras
ORP	Office of Outreach and Partnerships
PBI	Performance Based Initiatives
SME	Small Medium Enterprises
TA	Technical Assistance
TC	Technical Cooperation Operation
UIS	Updated Institutional Strategy
UMIC	Upper middle-income countries
We-Fi	Women Entrepreneurs Finance Initiative
We3A	Women Entrepreneurs Aspire, Activate and Accelerate
WeForLAC	Women Entrepreneurs for Latin America and the Caribbean
WSME	Women-owned/led Small and Medium Enterprises

2022 IMPLEMENTATION PROGRESS REPORT

WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI)

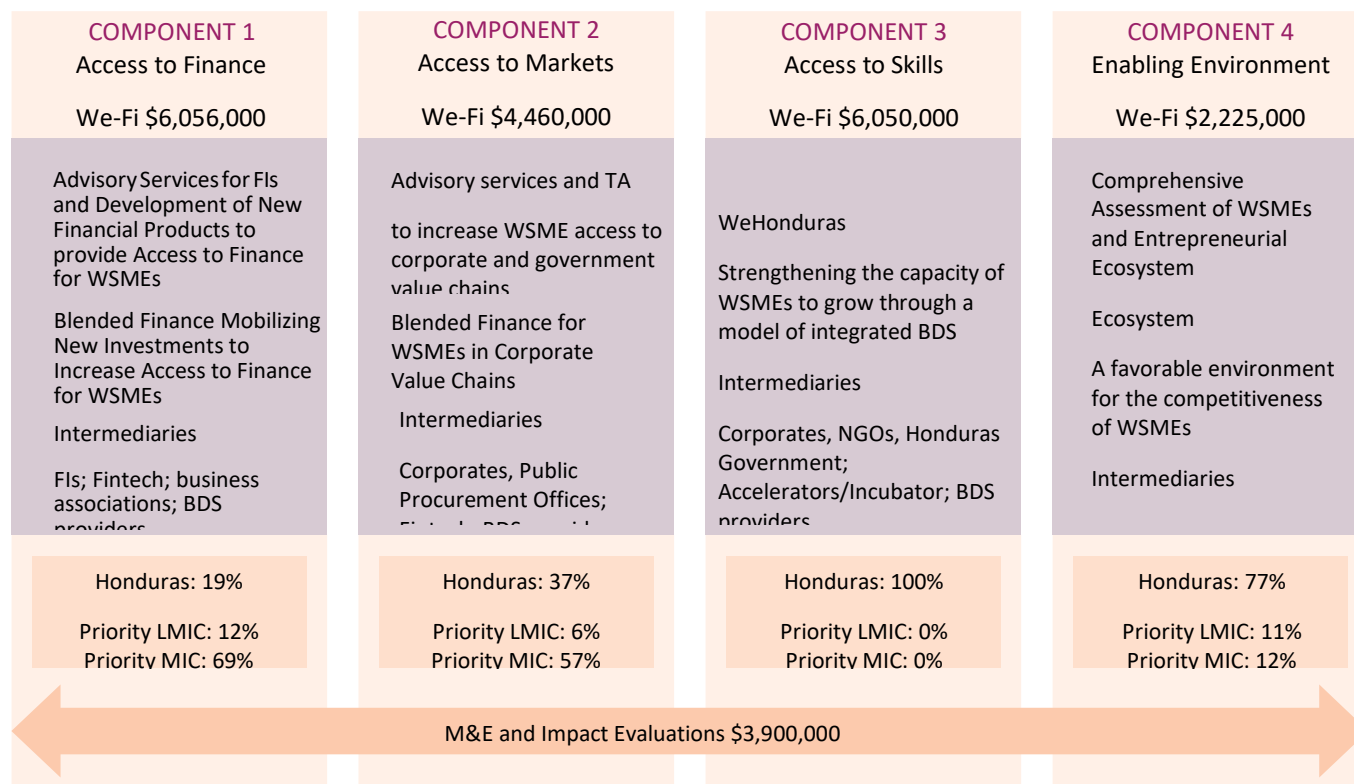
Inter-American Development Bank Group

I. EXECUTIVE SUMMARY

The purpose of this report is to inform the We-Fi Secretariat of the activities of the **Women Entrepreneurs for Latin America and the Caribbean (WeForLac)** and **Women Entrepreneurs Aspire, Activate and Accelerate (We3A)** Programs from July 1, 2021, through June 30, 2022. In doing so, it fulfills the reporting requirements in the Financial Procedures Agreement signed between the Inter-American Development Bank and the World Bank as Trustee of the Women Entrepreneurs Finance Initiative Trust Fund.

The general objective of the IDB Group **WeForLAC** program is to promote the growth of WSMEs by developing innovative and catalytic projects and programs, building the entrepreneurial ecosystem in challenging country environments, generating important data to fill knowledge gaps, and promoting intelligent public policy and private sector initiatives. The specific objectives of WeForLAC are to improve: i) WSMEs' access to finance; ii) WSMEs' access to markets; iii) women entrepreneurs' access to skills and networks; and iv) the entrepreneurship ecosystems for WSMEs (see Figure 1). The WeForLAC target countries are Honduras, El Salvador, Guatemala, Mexico, Colombia, Brazil, Peru, Ecuador, and the Dominican Republic.

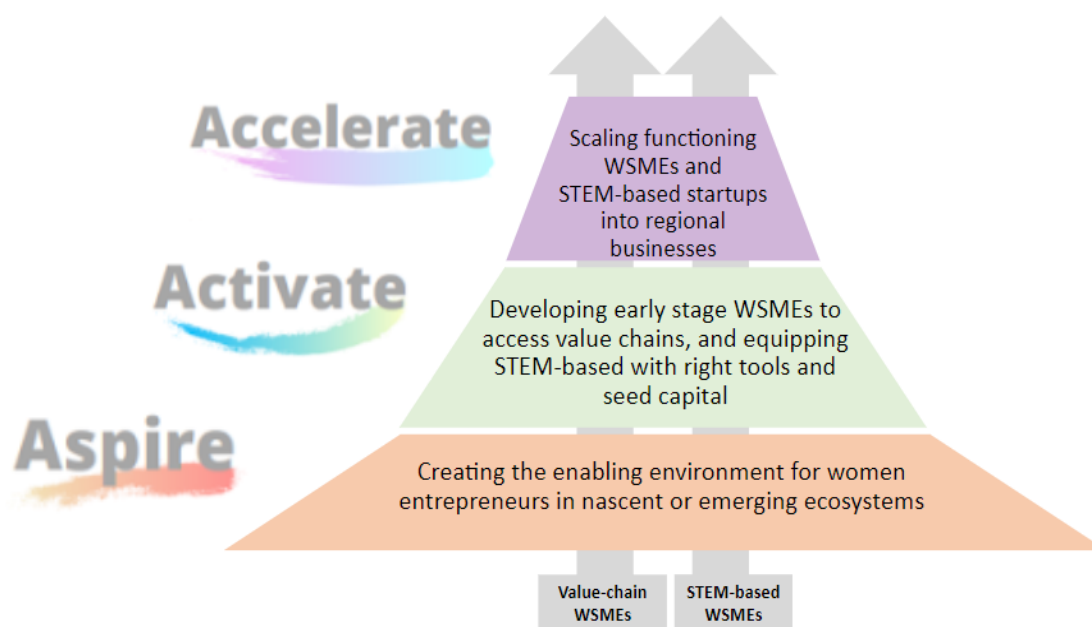
Figure 1: WeForLAC Program Components



WeForLAC Program highlights during the reporting period include the approval of five projects in support of WSMEs for a total of **\$1,500,000**. These operations join nine projects totaling **\$15,776,000** that were already in the WeForLAC portfolio, so now committed projects have a total value of **\$17,276,000**.

The objective of the IDB Lab **We3A** program is to further scale the impact of the WeForLAC Program, and promote the growth and resilience of WSMEs, with a special focus on WSMEs that are tapping into value chains and STEM (Science, Technology, Engineering, and Math)-based WSMEs. The program's specific objectives will be to improve: **1) WSMEs' access to value chains, 2) WSMEs' access to disruptive technologies and digital financial inclusion, and 3) high-growth WSMEs' access to early-stage finance**. Two projects make up the program, Improving Access to Value Chains for Women Entrepreneurs, for **\$7,039,317**, which was approved on May 21, 2021. This project seeks to strengthen WSMEs by combining value chain integration for women with high quality business training delivered through a range of innovative, digital means. The We3A target countries are Guyana, Ecuador, El Salvador, Guatemala, Honduras and Nicaragua.

Figure 2. We3A Program Structure



We3A Program highlights during the reporting period include the approval of a second We3A project supporting STEM-based WSMEs through technical assistance and investment, for **\$6,748,725**, on October 19, 2021. With this approval, the We3A portfolio of committed projects have a total value of **\$13,788,042**.

Finally, on May 10, 2022, the IDB received a letter from We-Fi confirming the Commitment of Funds in the amount **\$4,868,500** for the IDB Lab to carry out the activities of a new program **WeCount: Leveraging Data and an Information Exchange Platform for WSME Productivity and Sustainability**.

II. PROGRAMS SUMMARY

Programs Timeline

Round	Project/Program Name	Implementation Start Date	Commitment End Date	Supervision End Date	Countries (with active projects)
2	Women Entrepreneurs for Latin America and the Caribbean (WeForLAC)	July 2019	December 2024	December 2029	Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico and Peru
3	Women Entrepreneurs Aspire, Activate and Accelerate (We3A)	June 2020	December 2025	December 2030	Guyana, Ecuador, El Salvador, Guatemala, Honduras

Mobilization

	ROUND #2 WEFORLAC			ROUND #3 WE3A		
	Approved Amount	Committed Amount	Disbursed Amount	Approved Amount	Committed Amount	Disbursed Amount
Status of We-Fi Funding						
We-Fi Financing (A)	24,279,370	18,864,370	1,620,726	14,715,756	11,609,524	1,582,391
Of which IDA	12,063,627	8,365,154	747,631	7,357,378		549,000
Mobilization						
IP Contribution (B)	262,000,000	262,000,000	262,000,00	1,000,000	1,000,000	102,721
Public sector (C)	1,210,000	204,650	204,650			
Private sector (D)						
Additional funds mobilized (E)						
Total Mobilization (F)= (B+C+D+E)	263,210,000	262,204,650	262,204,650	1,000,000	1,000,000	102,721
Of which IDA	1,210,000	204,650	204,650	500,000	500,000	51,360
Total Project Cost (G)= (F+A)	287,489,370	281,069,020	263,825,376	15,715,756	12,609,524	1,685,112
Leverage (F/A)	10.84	13.89	161.78	0.07	0.09	0.06

Partners	Round#2 WEFORLAC	Round#3 WE3A
Total number of partner institutions supported by We-Fi (cumulative)	15	8
Out of which		
- Financial services intermediaries	11	
- PE/VC Funds		
- Accelerators, incubators		
- Corporations	3	
- Public sector	1	
- NGOs (local and international)		8

- Other (specify)		
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III. IMPLEMENTATION PROGRESS

1) WOMEN ENTREPRENEURS FOR LATIN AMERICA AND THE CARIBBEAN (WeForLAC)

A. KEY ACTIVITIES DURING THE REPORTING PERIOD

WeForLAC follows a programmatic approach where the IDBG approves WeForLAC projects on a rolling basis. The following five projects were approved in the reporting period:

- a transaction that includes **Advisory Services and a Performance-Based Incentive grant for Banco Proamerica**, a bank in the Dominican Republic, for \$100,000, prepared by IDB Invest,
- a transaction that includes **Advisory Services and a Performance-Based Incentive grant for Banco Pichincha**, the largest private bank in Ecuador, for \$200,000, prepared by IDB Invest, to support annual target in the WSME lending portfolio in a gender bond issuance, prepared by IDB Invest,
- a transaction that includes **Advisory Services and a Performance-Based Incentive grant for Agripac**, an agricultural company in Ecuador, for \$400,000, prepared by IDB Invest, to incorporate more WSMEs in their supply chain, as suppliers and clients, prepared by IDB Invest,
- a transaction that will have a **blended finance component in the form of performance-based incentives for Banco Agrícola**, a bank in El Salvador, for up to US\$100,000, subject to the achievement of goals in relation to the WSME portfolio, prepared by IDB Invest, and
- a project to support a **Small and Medium Enterprises (SMEs) Financial Services Demand Survey with a Gender Perspective in Honduras**, for \$700,000, prepared by the IDB.

Annex VI provides detail on each project. These operations join nine projects totaling **\$15,776,000** that were already approved, so that the WeForLAC portfolio now totals **\$17,276,000**.

A \$4,329,095 cash transfer was made, for both the WeForLAC and We3A Programs, in mid-2022.

B. KEY CHALLENGES AND LESSONS LEARNED

Institutional developments and changes in administration in Honduras have affected the preparation and execution of WeForLAC projects. The foreseen government executing agency for the approved \$1.4 million operation, **Adoption of Climate-Smart Technologies in Agricultural MSMEs Led by Women**, that was to begin execution this year, was dissolved by the present Government, so the project team is working to identify a new executing structure. Another \$1.4 million project in preparation in Honduras, **Empowerment of Women Participation in Energization with Clean Energy**, was affected by decisions made by the government administration in 2021 that were not in line with the sector reform the IDB was supporting, which led to a suspension in support for all activities in the energy sector in Honduras, including this project, until more favorable conditions are presented. With a new Presidential administration in office in January 2022, the Bank has resumed the approval of new energy operations in Honduras, and the preparation of this operation is back on track.

2) WE3A

A. KEY ACTIVITIES DURING THE REPORTING PERIOD

A second We3A project was approved in the reporting period: **Supporting Women Entrepreneurs in STEM Areas in Emerging Ecosystems**, which will support STEM-based WSMEs through technical assistance and investment, for **\$6,748,725**, on October 19, 2021. This project will address the financial and non-financial constraints faced by STEM-based startups through three components:

- (1) **“Activate” incubation programs for STEM-based startups** - that will finance and support local and regional incubation programs for aspiring women entrepreneurs in STEM with the desire to create a scalable technology or tech-enabled company to address key challenges in high-impact sectors.
- (2) **Seed capital and acceleration for STEM-based startups** - that will focus on STEM-based startups that are innovating with products and services that address key challenges across sectors. Selected STEM-based startups will participate in a 3 to 6-month acceleration program and will receive equity-free seed financing necessary to accelerate the growth of their business in early stages.
- (3) **Access to Venture Capital for STEM-based startups**. Through this component, selected direct investments (from late seed up to Series B) will be made in the most promising companies that participated in We-Fi supported incubation or acceleration programs iv described in the previous components, or that have been externally sourced via partners.

Annex VI provides more detail on the project.

Two projects make up the We3A program. The first project, Improving **Access to Value Chains for Women Entrepreneurs**, for **\$7,039,317**, was approved May 2021, and seeks to strengthen WSMEs by combining value chain integration for women with high quality business training delivered through a range of innovative, digital means. With the approval of the second project, the We3A portfolio of committed projects have a total value of **\$13,788,042**.

B. KEY CHALLENGES AND LESSONS LEARNED

Both projects that make up the We3A program are just beginning to implement. One issue that has affected the **Access to Value Chains for Women Entrepreneurs** project has been the difficulty to work in Nicaragua. After a local entity, Agora Partnerships, had been identified as a partner institution to carry out project activities in Nicaragua and was about to sign a contract with IDB Lab based on its technical proposal, it was expelled along with multiple other international organizations from the country. IDB Lab has determined that unfortunately it is too risky to continue implementing the project in the country and has formally submitted a request to We-Fi to approve removing Nicaragua as a beneficiary country of the WE3A Value Chains project.

IV. IMPACT AND PROGRESS TOWARDS MEETING WE-FI TARGETS

A. IMPACT AND PROGRESS TOWARDS MEETING TARGETS

Both the WeForLAC and We3A programs have made important advances in the degree to which allocated We-Fi resources have now been committed through approved IDB, IDB Invest and IDB Lab projects. Execution of both the WeForLAC and We3A programs is still in the early stages. Latin America has been the region hardest hit by COVID, and this year, along with the previous one, were very difficult years for women entrepreneurs. With We-Fi support IDB, IDB Lab and IDB Invest have been able to begin delivering financing, technical assistance and advisory to help WSMEs survive the crisis and thrive with greater long-term resilience.

The two advisory WeForLAC projects **Enabling the Growth of Women-Led SMEs Through Financial Institutions and Innovative Financial Instruments** and **Enabling the Growth of Women-Led SMEs by Accelerating their Access to Markets** have been very productive in supporting IDB Invest in the identification, preparation, and approval of Performance Based Incentives (PBIs) and Blended Finance operations. It bears noting that eight of the approved fourteen WeForLAC projects consist of these operations, which is notable as these are innovative, cutting-edge transactions, however these can be designed to execute over longer periods of time, such as seven years, for financial intermediaries and corporates to gradually increase the numbers of WSMEs in their supply chain and clients.

An IDB WeForLAC project that can be highlighted for its progress in delivering results is the **Supporting Women Entrepreneurs in STEM Areas in Central America (WeXchange) project**. **Women entrepreneurs of Central America in STEM fields have been able to access expanded networks, learning and mentorship opportunities, and regional and global early-stage seed and VC investors** through this project, which helps women entrepreneurs of Central America in STEM fields to expand and diversify their networks in the greater Latin America and the Caribbean (LAC) region and beyond, deepen their learning and mentorship opportunities, and increase access to regional and global early-stage seed and VC investors.

Since its first edition in 2013, WeXchange Annual Forum has grown to be the LAC regions cornerstone event for women entrepreneurs in STEM, venture capital investors, key ecosystem players and relevant organizations working towards the advancement of women in entrepreneurship. The 2021 edition was held virtually on December 1 and 2. This edition of the forum included panels with investors, advice and lessons learned from high-growth women entrepreneurs from the region, entrepreneurship opportunities in emerging ecosystems, and a panel with women leading companies with a high scientific component. Additionally, 20 women-led companies were selected to participate in the LAC Women Founders Accelerator Program (WeXchange/IDB Lab and Google's 10-week program to accelerate women-led companies in the region) and pitched their business to a group of investors during the event.

The 2022 WeXchange edition was held in-person on May 24, in Miami, in the context of the VC Latam Summit. 15 women-led startups from LATAM (selected among 300+ applicants), who are currently raising rounds (seed to Series B) pitched their businesses in front of +100 venture capital investors. The event also included a panel on fundraising hacks by female founders and VC investors, and a networking session. Selected women entrepreneurs also participated in a five-day hybrid bootcamp, organized by Google, that includes workshops on technology, digital marketing, leadership, and fundraising.

WeXchange registered this reporting year an all-time high participation of women STEMpreneurs from C&D countries. In the WeXchange forum: 35% of the women entrepreneurs that participated in the forum were nationals of C&D countries. LAC Women Founders Accelerator: 25% of the women-led startups

selected to participate were headquarter in C&D countries. 2022 27% of the applications for the WeXchange Women STEMpreneurs competition came from C&D countries = identified 94 women-led startups actively raising capital in C&D countries. Among the 15 women entrepreneurs selected to participate in the bootcamp and pitching event, 30% were from C&D countries

Innovation: In this reporting year, WeXchange reinvented its offer to women entrepreneurs in STEM from LAC; switching the traditional pitch competition for a more comprehensive program named "LAC Women Founders Accelerator". In partnership with Google for Startups, WeXchange/IDB Lab offered the 20 selected startups mentoring sessions, training, and the opportunity to present their companies in front of investors. Furthermore, with the objective of amplifying WeXchange's reach and provide useful resources to more women STEMpreneurs, WeXchange organized "WeXchange Ignite program" a virtual upskilling program for underserved women entrepreneurs and their teams. In 2022 the selection process of the call for applications was led by an early-stage VC fund, this resulted in a very well curated batch of participants that proved very attractive to the investors participating in the event.

B. RESEARCH AND KNOWLEDGE

Progress on Diagnostic and Assessments:

In 2022 a mapping of women-led/owned SMEs was finalized in Honduras, one of the priority countries for WeForLAC. The objectives of this mapping have been to identify and collect all sources of data available in the country connected to SMEs and to produce a list with contact information from SMEs, including WSMEs, which could potentially be used to identify beneficiaries for WeForLAC interventions. The mapping began in 2020 but given that more key stakeholders than those originally anticipated were identified, the work was extended and expanded in 2021. Collecting data took longer than expected, given the need to design and agree with non-disclosure (NDA) documents with each of these institutions, including chambers of commerce, public institutions that provide services for SMEs, private companies, among others. The mapping was completed in 2022. In total, 28 institutions were interviewed, 15 of them provided information from their SME datasets and 6 of them signed NDAs. The final database contains contact information of more than 15,000 SMEs, out of which approximately 5,000 correspond to women-led/owned SMEs. This data will be used not only to identify potential beneficiaries of WeForLAC initiatives, but it is also being used to produce a descriptive study analyzing the SME ecosystem in Honduras, the gender gaps that exist, and to identify the initiatives and support programs that exist in the country for women-led/owned SMEs.

Progress on Non-causal studies:

In 2021, a study on gender bonds was launched with the objective of generating knowledge on the impact of gender bonds in LAC in increasing access to finance for women-led/owned SMEs. Bonds has been increasingly used as instruments to raise capital and improve access to finance but there is still limited evidence on their impacts and the challenges and opportunities that these types of instruments bring. The study will be conducted some case studies with IDB Invest clients that have launched a gender bond, some supported by WeForLAC. A first draft of the study was finalized in the first trimester of 2022, and it is currently under revision.

At the end of 2021, a descriptive study looking at the barriers in access to credit for SMEs in the LAC region and with a focus on gender disparities was commissioned. This study is led by academics from

Northwestern University and is intended to provide a deep and comprehensive view of this issue by using novel data provided by financial institutions on their portfolio. It will also provide an analysis on understanding whether the COVID crisis disproportionately affected women-led/owned SMEs and whether the digitalization processes were different for men versus women-led companies.

In 2022 a call for proposals was launched to select a firm to support selected financial institutions working with IDB Invest in implementing impact monitoring systems with gender lenses. The objective of this initiative is to be able to collect data from SMEs to provide a deeper view of the impacts of access to credit into some of the WeFi key indicators, such as increase in employment, sales, and profit. A contract was signed with the selected firm in July and there are already two banks identified in the pipeline, that will receive this support thanks to WeForLAC funds. Data obtained from these engagements is expected to be used to generate descriptive studies on the gender gaps in access to credit and the impacts of credit access. Information will also be key for financial institutions to be able to segment their portfolios by gender and use data to guide the strengthening or implementation of gender strategies.

Progress on Experimental Evaluations:

As part of a collaboration with academics from Northwestern University and the University of California Berkeley, an experimental study is currently underway looking at the impacts of access to credit on SMEs and with a focus in measuring heterogeneous effects across gender. The study design has involved the random promotion of credit through agreements with some partner banks in the LAC region and exploiting some of the credit stimulus packages that arise due to the COVID crisis. Administrative data from SMEs is being collected over time to measure the impacts of increased access to credit. The study was commissioned in late 2021 and is currently under implementation.

V. PLANS FOR NEXT YEAR

On May 10, 2022, the IDB received a letter from We-Fi confirming the Commitment of Funds in the amount **\$4,868,500** for the IDB Lab to carry out the activities of a new program **WeCount: Leveraging Data and an Information Exchange Platform for WSME Productivity and Sustainability**. This is an IDB Lab project, that is set to be approved in September 2022, and the focus in the year ahead will be to begin implementation.

As a result of the COVID-19 pandemic, women in the manufacturing, services and retail sectors across Latin America are experiencing high risk of job loss related to global value chain disruptions, concentration in low productivity sectors, low levels of formality and digitization, and high barriers to financing, entrepreneurship, and market access. This project aims to support WSMEs in hard hit sectors with the development and adoption of innovations that generate greater productivity and sustainability of WSMEs. The project will operate in Honduras, Guatemala, El Salvador, and Mexico.

The proposed approach is designed to combat the most acute challenges WSMEs face because of COVID-19, namely through open access to knowledge, markets, and capital. The project builds a coalition of capacity building, market linkage, and financial services actors that leverages an information exchange platform to collect and share data that facilitates transactions between the parties. The first **capacity building component** will focus on business acumen, financial management, social innovation and digital transformation of WSMEs. The second **market component** partners with marketplaces,

ecommerce organizations, and corporation to diversify WSME sales channels, better position their brands, and digitize WSME transactional data. The third **financing component** capitalizes on the COVID-19-driven surge of digital financing to unlock funds of local FinTech's, microfinance institutions (MFIs), investors, banks, and nonbank financial partners. Digital technologies will be harnessed in two ways: 1) leveraging an information exchange platform (e.g., distributed ledger technology) for transparent data capture and sharing between market/commercial partners, financial services, capacity building actors and WSMEs, and 2) supporting WSMEs to adopt digitization strategies for productivity, innovation, and sustainability.

The goal is that after this project, WSMEs will be able to leverage their data to access new market and financing partners, make better-informed selling and capital requirements decisions, and increase their negotiating power with said partners. Market actors (corporates, online platforms, logistics providers) will use WSME transactional data to extend purchase orders and fairer terms, while financing actors will use WSME data to evaluate creditworthiness more effectively. Market and financing actors will use WSME's transactional data housed in the information exchange platform to make better informed gender equitable decisions.

ANNEXES

ANNEXES - SUBMITTED WITH THE NARRATIVE REPORT

- Annex I. Funding and Budget Information
- Annex II. Examples of Impact on WSMEs
- Annex III. WSME Definitions
- Annex IV. IP Methodology for Results Measurement
- Annex VI. Project-Level Summaries
- Annex IX. Unaudited Financial Statement

ANNEXES - SUBMITTED AS SEPARATE EXCEL FILES

- Annex V. List of Committed projects
- Annex VII. Results Framework
- Annex VIII. Risk Framework

ANNEX I. FUNDING AND BUDGET INFORMATION

WEFORLAC- ORIGINAL BUDGET TABLE

Activities	Honduras		LMIC		MIC		Total We-Fi grant amount	Program Total
	We-Fi grant amount	Total	We-Fi grant amount	Total	We-Fi grant amount	Total		
1. Access to Finance	\$1,109,877	\$24,687,887	\$749,915	\$16,680,961	\$4,196,208	\$93,339,653	\$6,056,000	\$134,708,500
Sub Component 1.1 Advisory Services for FIs and Corporates	\$234,877	\$6,693,989	\$143,079	\$4,077,740	\$2,178,045	\$62,074,271	\$2,556,000	\$72,846,000
1.1.1 Advisory Services for Financial Intermediaries (can include Honduras)	\$556,500	\$15,860,250	\$339,000	\$9,661,500	\$460,500	\$13,124,250	\$1,356,000	\$38,646,000
1.1.2 Advisory Services to Structure Gender Bonds	\$0	\$0	\$0	\$0	\$1,200,000	\$34,200,000	\$1,200,000	\$34,200,000
Sub-Component 1.2 Blended Finance.	\$875,000	\$15,465,625	\$606,836	\$10,725,830	\$2,018,164	\$35,671,045	\$3,500,000	\$61,862,500
1.2 Blended finance for Financial Intermediaries	\$875,000	\$6,711,250	\$1,050,000	\$8,053,500	\$1,575,000	\$12,080,250	\$3,500,000	\$26,845,000
2. Access to Markets IMPROVING ACCESS TO MARKETS FOR WSMEs	\$1,635,000	\$34,815,235	\$275,175	\$5,859,504	\$2,549,825	\$54,295,261	\$4,460,000	\$94,970,000
2.1 TA to increase women's access to corporate and government value chains	\$1,510,000	\$29,974,206	\$700,000	\$13,895,327	\$1,000,000	\$19,850,467	\$3,210,000	\$63,720,000
2.1.1 TA & Procurement Registry Digitalization ONCAE	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$200,000
2.1.2 Procurement Workshops Companies Sourcing in Central America	\$275,000	\$275,000	\$0	\$0	\$0	\$0	\$275,000	\$275,000
2.1.3 WeHonduras Procurement Workshops Government Agencies & Private sector companies	\$85,000	\$85,000	\$0	\$0	\$0	\$0	\$85,000	\$85,000
2.1.4 Supply Chain Advisory for Corporates	\$500,000	\$14,250,000	\$700,000	\$19,950,000	\$800,000	\$22,800,000	\$2,000,000	\$57,000,000
2.1.5 FinTech Advisory Services (for 3 FIs)	\$0	\$0	\$0	\$0	\$200,000	\$5,700,000	\$200,000	\$5,700,000
2.1.6 Procurement Workshops/Events for WSME	\$450,000	\$450,000	\$0	\$0	\$0	\$0	\$450,000	\$450,000
2.2 Blended Finance. Finance for WSMEs in Corporate Value Chains	\$125,000	\$3,125,000	\$50,000	\$1,250,000	\$1,075,000	\$26,875,000	\$1,250,000	\$31,250,000
2.2.1 Fintech Supply Chain Blended Finance	\$0	\$0	\$0	\$0	\$750,000	\$7,950,000	\$750,000	\$7,950,000
2.2.2 Supply Chain Finance (Blended)	\$125,000	\$1,325,000	\$50,000	\$530,000	\$325,000	\$3,445,000	\$500,000	\$5,300,000
3. Access to Skills	\$6,050,000	\$22,275,000	\$0	\$0	\$0	\$0	\$6,050,000	\$22,275,000
3.1 WeToolkit Design & Implementation & PBIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.1.1 Grant for We-Toolkit Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.1.2 Grant for We-Toolkit TOT Honduras WeToolkit Regional Dissemination	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.1.3 TA for Companies employing We-Toolkit Standards linked to PBIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.1.4 PBIs for Companies employing We-Toolkit Standards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.2 Honduras BDS	\$6,050,000	\$22,275,000	\$0	\$0	\$0	\$0	\$6,050,000	\$20,775,000
3.2.1 Grant for WeHonduras BDS Development & Implementation	\$2,700,000	\$13,700,000	\$0	\$0	\$0	\$0	\$2,700,000	\$12,700,000
3.2.2 Grant for translation and contextualization of digital WSME online module	\$300,000	\$300,000	\$0	\$0	\$0	\$0	\$300,000	\$300,000
3.2.3 Grants for WeXchange Honduras Chapter Mentoring, meetups, bootcamps	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$150,000
3.2.4 Grant WeHonduras TA for WSMEs in Climate Smart Agriculture	\$1,400,000	\$4,900,000	\$0	\$0	\$0	\$0	\$1,400,000	\$4,400,000
3.2.5 Grant WeHonduras TA for WSMEs in Clean Energy	\$1,400,000	\$2,900,000	\$0	\$0	\$0	\$0	\$1,400,000	\$2,900,000
3.2.6 WeXchange Central America Forum	\$100,000	\$325,000	\$0	\$0	\$0	\$0	\$100,000	\$325,000
4. Strengthening the Enabling Environment for Women's Entrepreneurship	\$1,731,250	\$10,484,761	\$243,750	\$1,476,194	\$250,000	\$1,514,045	\$2,225,000	\$13,475,000
4.1 Comprehensive Assessment of WSMEs and Entrepreneurial Ecosystem	\$1,083,750	\$8,624,405	\$211,250	\$1,681,112	\$250,000	\$1,989,482	\$1,545,000	\$11,795,000
4.1.1 Grant for Financial Services SME Demand Survey & Toolkit	\$700,000	\$11,200,000	\$0	\$0	\$0	\$0	\$700,000	\$10,700,000
4.1.2 wXinsights (formerly called WeGrow) + Mapping/Assesment	\$258,750	\$446,250	\$86,250	\$148,750	\$0	\$0	\$345,000	\$595,000
4.1.3 Access to Finance Database	\$125,000	\$125,000	\$125,000	\$125,000	\$250,000	\$250,000	\$500,000	\$500,000
4.2 A favorable environment for the competitiveness of WSME	\$647,500	\$1,123,603	\$32,500	\$56,397	\$0	\$0	\$680,000	\$680,000
4.2.1 Grant for GBA All Stars	\$97,500	\$97,500	\$32,500	\$32,500	\$0	\$0	\$130,000	\$130,000
4.2.2 Grant for Policy Dialogue on WSME on Access to Finance (+GBA)	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$50,000
4.2.3 Grant for VC/PE Investor Workshops Design & Implementation	\$120,000	\$120,000	\$0	\$0	\$0	\$0	\$120,000	\$120,000
4.2.4 Grant for WeForLAC Final Policy Dialogue in Honduras	\$80,000	\$80,000	\$0	\$0	\$0	\$0	\$80,000	\$80,000
4.2.5 Grant for TA for SCGG: Safe WSME Strategy & WSME Policies	\$300,000	\$800,000	\$0	\$0	\$0	\$0	\$300,000	\$300,000
M&E	\$1,537,500	\$1,537,500	\$161,132	\$161,132	\$2,201,368	\$2,201,368	\$3,900,000	\$3,900,000
Impact Evaluations	\$1,200,000	\$1,200,000	\$750,000	\$750,000	\$1,050,000	\$1,050,000	\$3,000,000	\$3,000,000
M&E	\$337,500	\$337,500	\$187,500	\$187,500	\$225,000	\$225,000	\$750,000	\$750,000
WeForLAC Evaluations	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$150,000
TOTAL	\$12,063,627	\$93,800,383	\$1,429,972	\$24,177,790	\$9,197,401	\$151,350,326	\$22,691,000	\$269,328,500
MDB Fee (7%)							\$1,588,370	\$1,588,370
Grand total							\$24,279,370	\$270,916,870

UPDATED WEFORLAC BUDGET TABLE WITH CHANGES APPROVED BY THE GOVERNING COMMITTEE

Activities	Honduras			LMIC			MIC			Total We-Fi grant amount (\$)	Program Total (\$)	Total We-Fi grant committed (\$)	Total We-Fi grant disbursed (\$)
	We-Fi grant amount (\$)	Other sources (\$)	Total (\$)	We-Fi grant amount (\$)	Other sources (\$)	Total (\$)	We-Fi grant amount (\$)	Other sources (\$)	Total (\$)				
1. Access to Finance	\$1,306,500	\$21,140,000	\$22,446,500	\$1,389,000	\$16,326,000	\$17,715,000	\$3,235,500	\$56,169,000	\$59,404,500	\$5,931,000	\$99,566,000	\$4,106,000	\$294,612
Sub Component 1.1 Advisory Services for FIs and Corporates	\$556,500	\$15,303,750	\$15,860,250	\$339,000	\$9,322,500	\$9,661,500	\$1,660,500	\$45,663,750	\$47,324,250	\$2,556,000	\$72,846,000	\$2,556,000	\$294,612
1.1.1 Advisory Services for FIs /weB (can include Honduras)	\$556,500	\$15,303,750	\$15,860,250	\$339,000	\$9,322,500	\$9,661,500	\$460,500	\$12,663,750	\$13,124,250	\$1,356,000	\$38,646,000	\$1,356,000	\$294,612
1.1.2 Advisory Services to Structure Gender Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200,000	\$33,000,000	\$34,200,000	\$1,200,000	\$34,200,000	\$1,200,000	
Sub-Component 1.2 Blended Finance.	\$750,000	\$5,836,250	\$6,586,250	\$1,050,000	\$7,003,500	\$8,053,500	\$1,575,000	\$10,505,250	\$12,080,250	\$3,375,000	\$26,720,000	\$1,550,000	\$0
1.2 Blended finance for FIs	\$750,000	\$5,836,250	\$6,586,250	\$1,050,000	\$7,003,500	\$8,053,500	\$1,575,000	\$10,505,250	\$12,080,250	\$3,375,000	\$26,720,000	\$1,550,000	
2. Access to Markets IMPROVING ACCESS TO MARKETS FOR WSME	\$1,760,000	\$14,950,000	\$16,710,000	\$700,000	\$19,730,000	\$20,430,000	\$2,125,000	\$37,820,000	\$39,945,000	\$4,585,000	\$77,085,000	\$3,920,000	\$262,408
2.1 TA to increase women's access to corporate and government	\$1,510,000	\$13,750,000	\$15,260,000	\$700,000	\$19,250,000	\$19,950,000	\$1,000,000	\$27,500,000	\$28,500,000	\$3,210,000	\$63,710,000	\$3,210,000	\$232,408
2.1.1 TA & Procurement Registry Digitalization ONCAE	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$24,473
2.1.2 Procurement Workshops Companies Sourcing in Central America	\$275,000	\$0	\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	
2.1.3 WeHonduras Procurement Workshops Government Agencies & Private sector companies	\$85,000	\$0	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0	\$85,000	\$85,000	\$85,000	\$85,000
2.1.4 Supply Chain Advisory for Corporates	\$500,000	\$13,750,000	\$14,250,000	\$700,000	\$19,250,000	\$19,950,000	\$800,000	\$22,000,000	\$22,800,000	\$2,000,000	\$57,000,000	\$2,000,000	
2.1.5 FinTech Advisory Services (for 3 FIs)	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$5,500,000	\$5,700,000	\$200,000	\$5,700,000	\$200,000	\$122,935
2.1.6 Procurement Workshops /Events for WSME	\$450,000	\$0	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$450,000	\$450,000	\$450,000	
2.2 Blended Finance. Finance for WSMEs in Corporate Value Chain	\$250,000	\$1,200,000	\$1,450,000	\$0	\$480,000	\$480,000	\$1,125,000	\$10,320,000	\$11,445,000	\$1,375,000	\$13,375,000	\$710,000	\$30,000
2.3 Fintech Supply Chain Blended Finance	\$0	\$0	\$0	\$0	\$0	\$0	\$750,000	\$7,200,000	\$7,950,000	\$750,000	\$7,950,000	\$500,000	
2.3 Supply Chain Finance (Blended)	\$250,000	\$1,200,000	\$1,450,000	\$0	\$480,000	\$480,000	\$375,000	\$3,120,000	\$3,495,000	\$625,000	\$5,425,000	\$210,000	\$30,000
3. Access to Skills	\$6,050,000	\$16,225,000	\$22,275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$6,050,000	\$22,275,000	\$4,105,000	\$658,158
3.1 WeToolkit Design & Implementation & PBIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3.1.1 Grant for We-Toolkit Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3.1.2 Grant for We-Toolkit TOT Honduras WeToolkit Regional	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3.1.3 TA for Companies employing We-Toolkit Standards linked to	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3.1.4 PBIs for Companies employing We-Toolkit Standards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3.2 Honduras BDS	\$6,050,000	\$16,225,000	\$22,275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$6,050,000	\$22,275,000	\$4,105,000	\$658,158
3.2.1 Grant for WeHonduras BDS Development & Implementation	\$2,700,000	\$11,000,000	\$13,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700,000	\$13,700,000	\$2,155,000	\$508,158
3.2.2 Grant for translation and contextualization of digital WSME	\$300,000	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000	\$300,000	
3.2.3 Grants for WeXchange Honduras Chapter Mentoring, me	\$150,000	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$150,000	\$150,000	\$150,000
3.2.4 Grant WeHonduras TA for WSMEs in Climate Smart Agriculture	\$1,400,000	\$3,500,000	\$4,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$4,900,000	\$1,400,000	
3.2.5 Grant WeHonduras TA for WSMEs in Clean Energy	\$1,400,000	\$1,500,000	\$2,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$2,900,000		
3.2.6 WeXchange Central America Forum	\$100,000	\$225,000	\$325,000	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$325,000	\$100,000	
4. Strengthening the Enabling Environment for Women's Entrepreneurship	\$1,731,250	\$8,016,758	\$12,918,750	\$243,750	\$62,500	\$306,250	\$250,000	\$0	\$250,000	\$2,225,000	\$13,475,000	\$2,145,000	\$277,243
4.1 Comprehensive Assessment of WSMEs and Entrepreneurial Ecosystem	\$1,083,750	\$7,540,655	\$11,771,250	\$211,250	\$62,500	\$273,750	\$250,000	\$0	\$250,000	\$1,545,000	\$12,295,000	\$1,545,000	\$277,243
4.1 Grant for Financial Services SME Demand Survey & Toolkit	\$700,000	\$10,500,000	\$11,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$700,000	\$11,200,000	\$700,000	
4.1 WeGrow + Mapping/Assessment	\$258,750	\$187,500	\$446,250	\$86,250	\$62,500	\$148,750	\$0	\$0	\$0	\$345,000	\$595,000	\$345,000	\$80,643
4.1 Access to Finance Database	\$125,000	\$0	\$125,000	\$125,000	\$0	\$125,000	\$250,000	\$0	\$250,000	\$500,000	\$500,000	\$500,000	\$196,600
4.2 A favorable environment for the competitiveness of WSME	\$647,500	\$476,103	\$1,147,500	\$32,500	\$0	\$32,500	\$0	\$0	\$0	\$680,000	\$1,180,000	\$600,000	\$0
4.2.1 Grant for GBA All Stars	\$97,500	\$0	\$97,500	\$32,500	\$0	\$32,500	\$0	\$0	\$0	\$130,000	\$130,000	\$130,000	
4.2.2 Grant for Policy Dialogue on WSME on Access to Finance	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$50,000	
4.2.3 Grant for VC/PE Investor Workshops Design & Implementation	\$120,000	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$120,000	\$120,000	
4.2.4 Grant for WeForLAC Final Policy Dialogue in Honduras	\$80,000	\$0	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$80,000	\$80,000		
4.2.5 Grant for TA for SCGG: Safe WSME Strategy & WSME Policy	\$300,000	\$500,000	\$800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$800,000	\$300,000	
M&E	\$1,587,500	\$0	\$1,587,500	\$987,500	\$0	\$987,500	\$1,325,000	\$0	\$1,325,000	\$3,900,000	\$3,900,000	\$3,000,000	\$128,305
Impact Evaluations	\$1,200,000	\$0	\$1,200,000	\$750,000	\$0	\$750,000	\$1,050,000	\$0	\$1,050,000	\$3,000,000	\$3,000,000	\$3,000,000	\$128,305
M&E	\$337,500		\$337,500	\$187,500		\$187,500	\$225,000		\$225,000	\$750,000			
WeForLAC Evaluations	\$50,000		\$50,000	\$50,000		\$50,000	\$50,000		\$50,000	\$150,000			
MDB Fee 7%											\$1,588,370	\$1,588,370	
TOTAL	\$12,435,250	\$60,331,758	\$75,937,750	\$3,320,250	\$36,118,500	\$39,438,750	\$6,935,500	\$93,989,000	\$100,924,500	\$22,691,000	\$217,889,370	\$18,864,370	\$1,620,726

WE3A BUDGET TABLE

Program Activities	We-Fi Funding Requested	We-Fi Funding Committed	We-Fi Funding Disbursed	IDA		Non-IDA		Program Total
				WeFi grant (\$)	Total (\$)	C+D countries WeFi Grant (\$)	Total (\$)	
1. Aspire	\$ 1,194,882	\$ 1,194,882	\$ 532,713	\$ 597,441	\$ 3,097,441	\$ 597,441	\$ 3,097,441	\$ 6,194,882
Sub-Component 1.1 Building enabling ecosystems for Value Chain WSMEs	\$ 1,194,882	\$ 1,194,882	\$ 532,713	\$ 597,441	\$ 3,097,441	\$ 597,441	\$ 3,097,441	\$ 6,194,882
Sub-Component 1.2: STEM - Enabling Environment	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
2 Activate	\$ 3,313,297	\$ 3,313,297	\$ 820,557	\$ 1,739,149	\$ 5,064,149	\$ 1,574,149	\$ 4,809,149	\$ 9,873,297
Sub- Component 2.1 : Activate for Value Chain WSMEs (Technical training and advisory)	\$ 2,678,297	\$ 2,678,297	\$ 820,557	\$ 1,339,149	\$ 2,714,149	\$ 1,339,149	\$ 2,714,149	\$ 5,428,297
Sub-Component 2.2: Incubation for STEM-focused WSMEs (Technical training and advisory)	\$ 635,000	\$ 635,000		\$ 400,000	\$ 2,350,000	\$ 235,000	\$ 2,095,000	\$ 4,445,000
3. Accelerate	\$ 8,744,877	\$ 5,638,645	\$ 229,121	\$ 4,769,323	\$ 22,493,023	\$ 3,975,555	\$ 21,851,855	\$ 44,344,877
Sub-component 3.1: Accelerating Value Chain WSMEs (Technical training and advisory)	\$ 2,898,645	\$ 2,898,645	\$ 229,121	\$ 1,449,323	\$ 3,949,323	\$ 1,449,323	\$ 3,949,323	\$ 7,898,645
Sub-component 3.2: STEM Acceleration	\$ 5,846,232	\$ 2,740,000		\$ 3,320,000	\$ 18,543,700	\$ 2,526,232	\$ 17,902,532	\$ 36,446,232
Activity 3.2.1: Seed capital and acceleration for STEM-based WSMEs (Technical training and advisory & investment)	\$ 2,740,000	\$ 2,740,000		\$ 1,820,000	\$ 5,500,000	\$ 920,000	\$ 3,940,000	\$ 9,440,000
Activity 3.2.2: Access to Venture Capital for STEM-based WSMEs (Investment)	\$ 3,106,232	\$ -		\$ 1,500,000	\$ 13,043,700	\$ 1,606,232	\$ 13,962,532	\$ 27,006,232
Program Evaluations	\$ 534,986	\$ 534,986						\$ 534,986
WEFI	\$ 13,788,042	\$ 10,681,810	\$ 1,582,391	\$ 7,105,912	\$ 30,654,612	\$ 6,147,144	\$ 29,758,444	\$ 60,948,042
MDB Administrative Fee	\$ 927,714	\$ 927,714						
Grand Total	\$ 14,715,756	\$ 11,609,524						

Types of Activities Funded

Funding Categories	Committed Amount	
	Round #2 WEFORLAC	Round #3 WE3A
Investment Activities	2,960,000	2,400,000
Technical Assistance/Advisory Activities	6,981,000	1,242,493
WSME Capacity Building	3,635,000	7,039,317
Grants to WSMEs	0	0
Research, M&E and Evaluations	3,700,000	0
IP Fees	1,588,370	927,714
Total	18,864,370	11,609,524

Summary Focus Areas Funded

Funding Categories	Committed Amount	
	Round #2 WEFORLAC	Round #3 WE3A
Access to Finance	5,516,000	2,400,000
Access to Markets	3,210,000	0
Access to Skills	4,050,000	7,014,733
Entrepreneurial Ecosystem	800,000	1,267,077

Funding Categories	Committed Amount	
	Round #2 WEFORLAC	Round #3 WE3A
Total	13,576,000 ¹	10,681,810

IP Fees structure

Category	Activities	% of We-Fi fee (approximate)	Costs covered by the MDB (high level)
Mandatory fees	e.g. trust fund fees mandated by the MDB	8	
Program management costs	e.g. costs for the teams managing the program, reporting to Secretariat, etc		
Direct project implementation cost	e.g. teams directly implementing We-Fi activities on the ground	75	
Pipeline development & project preparation	e.g. costs for market research, negotiations with clients, promotion of We-Fi activities		
Communications costs	e.g. preparing reports, stories etc		
Cost-sharing across departments	e.g. funding to departments providing support activities such as legal, accounting, etc.	17	
Other costs (please describe)	e.g. security costs, audit etc.		

¹ Summary Focus Areas sub-total (\$13,576,000) + M&E (\$3,700,000) + Fee (\$1,588,370) = \$18,864,370.

The fee is used to cover the Bank's costs in respect of services performed by the Bank in connection with managing the trust fund's account and projects. Some of these Bank services include but are not limited to, activities associated to fiduciary, accounting, treasury, and legal services provided to the trust fund, as well as in structuring, approving and committing trust fund resources, and supervising and monitoring projects, and any other additional

ANNEX II. EXAMPLES OF IMPACT ON WSMEs

- **Women entrepreneurs stories** – Please include examples of women entrepreneurs benefiting from We-Fi-funded programs.

Supporting Women Entrepreneurs in STEM Areas in Central America (RG-T3593)

Stories on WSME beneficiaries of this We-Fi project:

Three Women Founders Leading the HR Revolution in Latin America. Podcast episode highlighting three women entrepreneurs with promising startups in Human Resources industry in LatAm.

The podcast explores their journey as startup founders, the problem they are solving and their solution, their perspectives on the industry, and advice & lessons learn for other women entrepreneurs in the region.

<https://podcasts.apple.com/us/podcast/three-women-stempreneurs-leading-the-hr-revolution-in/id1479621127?i=1000553508921>

Four women entrepreneurs leading startups in the FinTech industry share their journey on becoming founders & building a company, the problem they are solving and their solution, their perspectives on the industry, and share advice & lessons learn for other women entrepreneurs in the region. This article was commissioned by WeXchange and has over 1700 views.

<https://bit.ly/3hX0MMn>

Why 3 female-founded SaaS startups are game-changers for SMEs in Latin America

This article highlights three women entrepreneurs building Software-as a Service' startups in LatAm. The article explores their journey on becoming founders, their market, the problem they are solving and their solution, including the impact on SME's. The article also touches upon advice & lessons learn for other women entrepreneurs in the region. This article was commissioned by WeXchange and has over 2800 views.

<https://latamlist.com/why-3-female-founded-saas-startups-are-game-changers-for-smes-in-latin-america/>

Lessons Learned from balancing founderhood with parenthood.

Three entrepreneurs share their experience and journey on building a company and starting a family. The article explores when & how these two experiences converged and portrays the different approaches that the participating entrepreneurs chose to live. This article was commissioned by WeXchange and has over 500 views.

<https://latamlist.com/lessons-learned-from-balancing-founderhood-with-parenthood/>

ANNEX III. WSME DEFINITIONS

The IDBG has developed operational guidelines for the WeForLAC and We3A programs that establish that the We-Fi formal WSME definition should be applied across all programs and projects, and that deviations from the SME and women-owned component of the definition are not permitted. For the women-led component of the definition, the guidelines require that any deviations from the formal We-Fi definition be documented and communicated to the program coordinators.

To date, minor deviations and corresponding justifications were noted in 2020 Annual Report regarding the DB Invest project. Grupo Elcatex/San Juan Textile Gender Bond in Honduras (HO-G1255) for \$210,000, approved in 2020, and are as follow:

Elcatex: As part of the transaction, the client – a Honduran textile manufacturer – will receive an interest rate reduction if it meets targets to increase its share of WSME suppliers and/or the volume of purchases. The existing share of WSMEs in the Honduran market is fairly low, although it's difficult to say exactly how low given the lack of consolidated records on firms in general, much less by gender. Part of the advisory service associated with the transaction is aimed at better gauging the available pool of WSMEs and connecting them to the client. The incentive curve is structured as nonlinear growth to ensure the client has enough time to adjust their tracking systems and identify potential WSMEs suppliers.

On the women-owned/led component of the definition, the project is utilizing the following criteria:

Firm with 51% or more ownership by woman (or women) AND/OR has a female CEO/Chief Executive/ C Suite Executive/ Sales Manager AND/OR $\geq 30\%$ of the board of directors are women.

These parameters will allow us to ensure reliable data quality and development impact as we are designing incentives that promote women in the relevant leadership positions for that industry. We included Sales Manager in the definition as it is a position of decision-making power in the context of supply-chain for Elcatex. The project's targets are quite ambitious, and by the end of the transaction, in 2027, it is expected that the client will increase the number of WSME suppliers from 5% to 24%, and/or increase the volume of purchases from 16% to 40%.

ANNEX IV. IP METHODOLOGY FOR RESULTS MEASUREMENT

Please provide a brief note on the methodology for measuring results.

- **Technical Cooperation Monitoring system.** The Technical Cooperation Monitoring and Reporting module (TCM) in the IDB Convergence information system is a tool that allows project teams to engage in strategic planning, tracking, and reporting on the execution and results of TC operations (any amount) and Investment Grant operations (up to USD3 million). TCM consists of the results matrix and findings and recommendations sections of Convergence and is an integral part of the full TC project cycle, from preparation, to execution, to closing. Development of the outcomes and outputs sections of the results matrix must be carried out during the preparation stage in the TCM. At the outputs level, utilization of standard output indicators is mandatory. Upon completing the required results matrix fields in TCM, project teams must automatically generate the Results Matrix annex. This annex becomes an integral part of the TC Document package reviewed at Quality and Risk Review (QRR). TC progress updates must take place annually. This update must include progress against targets set in the TC results matrix, as well as qualitative information related to project execution and results that is utilized to feed reporting to donors and the Board of Executive Directors. Once the TC results matrix and the relevant fields from Findings and Recommendations have been updated, the Team Leader must submit the report for review of the corresponding Grants and Co-financing Management Unit Fund Coordinator.
- **Knowledge Generation and Impact Evaluation for WeForLAC. RG-T3770. IDB, and Knowledge Generation and Impact Evaluation for WeForLAC. RG-T3746. IDB Invest.** These two TCs are structured in the same below components to support the generation of knowledge and evaluation of selected IDB projects supported by WeForLAC:
 - **Diagnosis of the women led/owned SME ecosystem in Honduras.** Having identified Honduras as a priority-country for WeForLAC support and given the limited amount of data on WSMEs in the country, a first component of the TC will be devoted to support baseline data generation of the WSMEs ecosystem in Honduras. More specifically, a detailed assessment will be conducted to help identify potential beneficiaries and understand their characteristics, as well as the main challenges that they face to guide the design of the WeForLAC interventions in Honduras. For this, a detailed analysis of available data sources on WSMEs will be conducted and a dataset with all available information will be constructed and analyzed. Additionally, the diagnosis will also characterize the different actors that take part of the ecosystem and the different programs that are currently taking place in Honduras to support women-led/owned SMEs. Given that several interventions in Honduras are expected to increase women's participation in markets and/or to new contracts, the diagnosis and mapping will also take into account the demand side and analyze what sector and markets are more open to integrate women-led/owned SMEs. This component will be jointly executed between IDB and IDB Invest Development Effectiveness Teams. The output for this component will be one in-depth diagnostic study on women-led/owned SMEs in Honduras.
 - **Design and Implementation of Causal Impact Evaluations.** Rigorous, quantitative evaluations using experimental or quasi-experimental methodologies will be undertaken where there are sufficiently large sample sizes (number of beneficiaries), the possibility of identifying causal relationships, and a sufficiently important public policy issue at stake. For example, using behavioral approaches to train women entrepreneurs and nudge them to adopt good business practices, the implementation by financial intermediaries of psychometric tools or alternative screening approaches to make their credit scoring systems more inclusive towards women, or leveraging of innovative technologies to benefit women owners, among others. The TC team will work closely with WeForLAC counterparts to identify the opportunities for impact evaluation and support during the execution of these exercises with the support of external academic or research institutions, as needed.
 - **Design and Implementation of Non-causal In-depth Studies.** Non-causal—both quantitative and qualitative—in-depth studies (e.g., case studies, descriptive analyses, observational studies, focus groups, semi-structured interviews, pre-post surveys of beneficiaries) will be conducted to generate evidence in innovative areas, i.e.

where small sample sizes, high costs associated with RCTs or quasi-experimental studies, or the impossibility of creating a credible control group preclude the production of causal studies. Mixed quantitative/qualitative approaches will be used where appropriate. The TC team will work closely with WeForLAC counterparts to identify the opportunities for these studies, define the appropriate methodology and design, and to support their implementation with the participation of external academic or research institutions.

ANNEX VI. PROJECT SUMMARIES

AGRIPAC BLENDED FINANCE

Project Type: Investment

Project Start Date: October 25, 2021

Geographical Focus: Ecuador

Project End Date (when results are expected):

We-Fi Funding Committed: \$400,000

October 25, 2026

Total project size: \$ 17,400,000

CONTEXT:

In Ecuador, the financial sector is small with credit penetration being relatively low. Domestic credit to the private sector as a percentage of GDP is 32%, lower than the LAC average (47%), and that of middle-income countries (106%). As a result, only 33% of SMEs finance their investments through banks, vs. 40% in LAC.⁶ Additionally, the government sets the maximum interest rate levels for SMEs and microenterprises, which discourages the expansion of credit to these segments, exacerbating low bank penetration. According to the Latin American Center of Rural Development there are two million women-led SMEs in Ecuador, with 30% located in rural areas. Only 29% of WSMEs use bank financing for working capital needs (compared to 43% of male-led companies). As a result, 62% use supplier credit to finance working capital (compared to 50% in LAC).

While there is no data on how many WSMEs in Ecuador are engaged in the agricultural sector it can be assumed that a relevant sub-group operates in this sector given that 49% of the rural population (or 37% of the total population) are women and 61.3% of rural women are engaged in agricultural activities. The reality of economic autonomy for women in Ecuador, is characterized by the persistence of several levels of gender inequality. With respect to land ownership inequality increases at the level of rural and indigenous women with only 25% of rural women in Ecuador owning the land they cultivate.

Considering that Ecuador falls short in providing adequate financing to small producers in the agriculture sector, with access to finance for women-owned producers being even lower, IDB Invest can support the sector by encouraging corporate anchor companies to incorporate more WSMEs in their supply chains¹⁶ and extend more customer credit to WSMEs and start focusing more on this client segment. IDB Invest identified Agripac as a partner that is strategically positioned to boost such financing to WSMEs in the agricultural sector.

CLIENT/PARTNER DESCRIPTION

Agripac is the largest agricultural network in Ecuador with a 14% market share in agriculture products, 24% in pets and 12% in aquaculture. The Company is family owned and operated and develops, produces, sells, and distributes agricultural inputs and fertilizers for the agricultural sector, balanced feeds for shrimp, pets, chicken, hogs, and cattle (sales of US\$ 242,4 million in 2020), and other products for the agriculture and livestock sector. The company sells its products to more than 53,700 agricultural producers in all the sectors it serves and, also, offers them financing and technical assistance. Agripac has been an IDB Invest client (through the IIC) since 2012, participating in three transactions.

PROJECT DESCRIPTION

The proposed transaction consists of a US\$ 17 million loan to be funded by IDB Invest to Agripac S.A. to finance the expansion of the Company's production capacity, including new pet and shrimp food industrial production lines in Ecuador. As part of this investment, We-Fi will provide up to US\$ 400,000 through Performance-Based Incentives ("PBIs") to Agripac subject to the achievement of annual targets. It is expected that Agripac will increase the number of

WSMEs in the total portfolio from 602 in 2021 to 1,400 in 2026. In order to support the client achieving its goals for the WSME portfolio the Advisory Service's Diversity and Inclusion team will support Agripac in two main components: (i) create a strategy for the women SME segment with a value proposition that will help Agripac to better serve the Ecuadorian clients. (ii) integrate the WSME program to the day-to-day operations of Agripac, including capacity training to the commercial team and other relevant teams.

IMPACT:

Agripac has not yet been prioritizing WSMEs, an effort it will start with the support of IDB Invest's advisory services. WSME only represent 5% of its active SME clients or around 600 companies. It will require a targeted effort by Agripac to learn and understand the market opportunity of its WSME clients and start a more focused product offering for this segment.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicator	Target
Total number of women owned/ led SMEs supported by We-Fi.	798

BANCO PICHINCHA GENDER BOND

Project Type: Investment

Geographical Focus: Country/Countries

We-Fi Funding Committed: \$200,000

Total project size: \$ 16,200,000

Project Start Date: November 18, 2021

Project End Date (when results are expected):

November 18, 2025

CONTEXT:

In Ecuador, the financial sector is small with credit penetration being relatively low. Domestic credit to the private sector as a percentage of GDP is 32%, lower than the LAC average (47%), and that of middle-income countries (106%). As a result, only 33% of SMEs finance their investments through banks, vs. 40% in LAC. Additionally, the government sets the maximum interest rate levels for SMEs and microenterprises, which discourages the expansion of credit to these segments, exacerbating low bank penetration. According to the Latin American Center of Rural Development there are two million women-led SMEs in Ecuador, with 30% located in rural areas. Only 29% of WSMEs use bank financing for working capital needs (compared to 43% of male-led companies). As a result, 62% use supplier credit to finance working capital (compared to 50% in LAC).

While there is no data on how many WSMEs in Ecuador are engaged in the agricultural sector it can be assumed that a relevant sub-group operates in this sector given that 49% of the rural population (or 37% of the total population) are women and 61.3% of rural women are engaged in agricultural activities. The reality of economic autonomy for women in Ecuador, is characterized by the persistence of several levels of gender inequality. With respect to land ownership inequality increases at the level of rural and indigenous women with only 25% of rural women in Ecuador owning the land they cultivate.

Considering that Ecuador falls short in providing adequate financing to small producers in the agriculture sector, with access to finance for women-owned producers being even lower, IDB Invest can support the sector by encouraging corporate anchor companies to incorporate more WSMEs in their supply chains¹⁶ and extend more customer credit to WSMEs and start focusing more on this client segment. IDB Invest identified Agripac as a partner that is strategically positioned to boost such financing to WSMEs in the agricultural sector.

CLIENT/PARTNER DESCRIPTION

Pichincha is the largest private bank in Ecuador by capitalization and the number of depositors, with US\$ 12.88 billion in assets, US\$ 10.49 billion in deposits and 237 agencies in the country (as of September 2021). Pichincha maintains a diversified portfolio and offers banking products, services and solutions for individuals, companies (including SMEs) and microentrepreneurs. Pichincha was the first business in Ecuador to subscribe to the UN Women's Empowerment Principles^{3F} (in 2015) and was certified with The Smart Campaign's Customer Protection Principles by the Center for Financial Inclusion in 2020.

PROJECT DESCRIPTION

The proposed transaction consists of a US\$ 100 million gender bond issuance by Banco Pichincha C.A., to finance the growth of the Bank's women-owned/led SMEs and women-owned/led microenterprises lending portfolios in Ecuador. IDB Invest and IFC are participating as investors in this transaction with a subscription of up to US\$ 50 million each. The bond will have a maturity of 5 years. As part of this investment, We-Fi will provide up to US\$ 400,000 through Performance-Based Incentives to Pichincha subject to the achievement of annual targets in the WSME portfolio. In order to support the client achieving its goals for the WSME portfolio the Advisory Service's Diversity and Inclusion team will support Pichincha in two main components: (i) strengthen Pichincha's gender and diversity strategy by developing a value proposition focused on WSMEs in the agricultural sector, and addressing the challenges of access to financial services faced by Afro-descendant and indigenous women entrepreneurs, and (ii) ensure the gender bond complies with

the international standards for social bonds' issuance. Both advisory engagements will guide Pichincha in the identification of opportunities to increase their financial and non-financial services to their WSME segment.

IFC will participate in funding 50% of the total We-Fi incentive amount Pichincha is entitled to receive upon the achievement of the PBI target.¹⁶ To utilize We-Fi resources efficiently, IDB Invest and IFC worked jointly to reach a common proposal on the PBI target and incentive amount. The total incentive amount will be US\$400,000 and will be funded 50/50 between IDB Invest and IFC.

IMPACT:

In addition to positively impacting the growth of women's businesses, this transaction also represents an opportunity to develop a more robust capital markets in Ecuador since it would be the first Senior Social Gender Bond issuance in the country..

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicator	Target
Total number of women owned/ led SMEs supported by We-Fi.	3,741

Include a link to press release and other relevant public references to the project.

Project Type: Investment

Geographical Focus: Dominican Republic

We-Fi Funding Committed: \$100,000

Total project size: \$10,100,000

Project Start Date: 11/29/2021

Project End Date (when results are expected):
11/29/2026

CONTEXT:

The challenges for WSME's in Dominican Republic are consistent with, and at times greater than, the region at large, across indicators of ownership, leadership, profitability, and size. Business ownership by women is low at 32% compared to the LAC average of 40%.⁹ While micro enterprise ownership by women is 51%, Small and Medium Enterprise (SME) ownership by women is only 14%. Average net profit for SMEs owned by women is 29% lower than SMEs owned by men US\$12,605.33 vs. US\$17,757.85. In terms of investment, only 15.1% of SMEs owned by women operate under what is considered high levels of investment (over US\$121,655 p.a.) vs. 34.3% for male owned SMEs. Conversely, 66.4% of SMEs owned by women present low levels of investment (under US\$24,330 p.a.) vs. 40% for SMEs owned by men. Furthermore, only 21% of SMEs have women top managers, and only 32% of SMEs have women in their ownership structure, in line with LAC average of 21.5% for women leadership, yet below LAC average of 40% for female. WB Enterprise Survey (WBES) data from 2016, shows that the Dominican Republic has a noted gender gap in access to finance as data indicates that 42.9% of women led firms have a loan/credit line with a financial institution compared 52.9% of male led firms. In contrast, 55.2% of women led firms use banks to finance investments vs. 33.8% for male led firms which sheds light on the importance of access to finance as a catalyst for growth in women led firms.

CLIENT/PARTNER DESCRIPTION

Banco Promerica is a commercial bank constituted under the laws of the Dominican Republic as a "Banco Multiple", providing a variety of financial services. Promerica began operations in the Dominican Republic in the year 2000 as a credit corporation. In 2007, it became a Savings and Credit Bank, and later in 2010 it obtained a license to operate as Banco Multiple. The Bank offers savings, term deposits, personal and commercial loans, through ten branches and a digital banking application.

In 2017, Promerica shifted its focus away from credit card and consumer finance and expanded its commercial lending activities, including SME financing. The Bank ranked 12th in terms of assets of the Banca Multiple in 2017, to become 6th at the end of 2020 with over US\$720 million in assets.

PROJECT DESCRIPTION

The proposed transaction consists of an Unsecured Subordinated Loan to Banco Multiple Promerica de la Republica Dominicana, S.A. for up to US\$10 million, with a tenor of up to 8-years, comprised of: (i) a committed tranche of up to US\$5 million, and (ii) an uncommitted tranche of up to US\$5 million. The purpose of the Project is to grant financing to Promerica to support its capital structure by increasing its Tier 2 -secondary capital, strengthen its capital adequacy, and enabling the increase of its commercial portfolio by providing loans to Small and Medium-sized Enterprises. We-Fi will provide up to US\$ 100,000 through Performance-Based Incentives, subject to achievement of annual targets, to promote the growth of Promerica's women-owned/women-led Small and Medium-Sized Enterprises portfolio. In addition, the Advisory Service's Diversity and Inclusion team will provide advisory support to Promerica in developing their gender strategy to better serve WSMEs. This support will include the development of: (i) a value proposition and a strategy to increase the WSMEs segment served, including a range of potential new financial products and services needed by WSMEs to grow their businesses.

IMPACT:

Based on the We-Fi targets and incentive structure Promerica DR will commit to direct more of its lending effort towards WSME and increase its WSME portion of the SME portfolio.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicator	Target
Total number of women owned/ led SMEs supported by We-Fi.	187

Project Type: Investment, Capacity Building

Geographical Focus: Central America Regional and Ecuador

We-Fi Funding Committed: \$6,748,725

Total project size: \$ 6,748,725

Project Start Date: October 22, 2022

Project End Date (when results are expected):
October 22, 2028

CONTEXT:

Across the Latin America and the Caribbean (LAC) region, there are approximately 1.2- 1.4 million women-owned/led SMEs (WSMEs). However, the vast majority of women businesses in LAC are unable to grow beyond microenterprises or move out of the informal economy or lower-productivity sectors. WSMEs tend to be smaller than those led by men, with fewer employees, lower profits, and less access to capital needed to become scalable - only 4% of venture-backed businesses in LAC have a woman cofounder. Moreover, the development of high-growth, STEM-focused entrepreneurial ecosystems are still concentrated in a few economies, leaving many countries - especially those categorized as lower-income- without an adequate enabling environment necessary for high-growth startup companies to thrive. To help tackle this challenge this project will promote the growth and resilience of women-led/owned SMEs (WSMEs), with a special focus on WSMEs that are tapping STEM (Science, Technology, Engineering, and Math)-based WSMEs. It will target C & D countries, including some of the region's most under-developed economies, with the objective to improve women-led startups' access to disruptive technologies, training and networks and high-growth women-led startups' access to early-stage finance. It will pay special attention to mitigating post-COVID-19 economic turbulence, both by supporting WSMEs that have been negatively impacted and by identifying solutions and new business opportunities, such as WSMEs that leverage disruptive technologies to innovate in health, education, and financial sectors, among others. The program will also be prioritizing women-led startups that can positively impact a scalable number of women and vulnerable population, as indirect beneficiaries of this program

PROJECT DESCRIPTION

This project will address the financial and non-financial constraints faced by STEM-based startups through the following three main components: (1) "Activate" incubation programs for STEM-based startups - that will finance and support local and regional incubation programs for aspiring women entrepreneurs in STEM with the desire to create a scalable technology or tech-enabled company to address key challenges in high-impact sectors. (2) Seed capital and acceleration for STEM-based startups - that will focus on STEM-based startups that are innovating with products and services that address key challenges across sectors. Selected STEM-based startups will participate in a 3 to 6-month acceleration program and will receive equity-free seed financing necessary to accelerate the growth of their business in early stages. (3) Access to Venture Capital for STEM-based startups. Through this component, selected direct investments (from late seed up to Series B) will be made in the most promising companies that participated in We-Fi supported incubation or acceleration programs iv described in the previous components, or that have been externally sourced via partners. This project will be executed as part of the "Women Entrepreneurs Aspire, Activate and Accelerate (We3A)" Program, approved under We-Fi's third round of funding. We3A has the goal of promoting the growth and resilience of women-led SMEs, with a special focus on WSMEs that are tapping into value chains and STEM-based SMEs, by supporting women entrepreneurs in all business phases. Finally, this proposal builds upon an extensive track record and the network of partners that the IDB Group and, specifically, the IDB Lab, the innovation lab of the IDB Group, have constructed in the region over the years to promote gender equality, women's economic empowerment, and entrepreneurial ecosystem development

CLIENT/PARTNER DESCRIPTION

For the execution of incubation of STEM-based startups, IDB Lab will launch an open request for proposal (RFP) to identify up to 3 incubators that will implement, and potentially co-finance, the incubation processes. IDB Lab will also launch an open request for proposal (RFP) to identify up to 3 accelerators that will execute and co-finance the seed capital programs. The IDB Lab Investment Unit will be responsible for sourcing, analyzing, executing and monitoring the direct equity investments.

IMPACT:

Target beneficiaries of the project include women entrepreneurs and aspiring women entrepreneurs in STEM fields from Central America and Ecuador, whose businesses or business ideas have high-growth potential, are scalable and innovative. Examples of such STEM-based startups include:

- **Aspiring STEM-focused women entrepreneurs:** These are aspiring women entrepreneurs that typically are graduates or students of STEM or business careers, coding bootcamps, employees of other startups or SME, etc., with clear business ideas, seeking to create highly scalable technology or tech-enabled companies to address key challenges in their communities. They will participate in business incubation programs through the “Activate” incubation program (Component 1).
- **Seed-stage STEM-focused women entrepreneurs:** These are founders or co-founders of early-stage STEM-based startups that are formally incorporated and have operations in at least one Project’s target country. Some of them have raised initial capital from friends & family to launch the business and are focused on validating their Minimum Viable Product (MVP), hiring their first employees, acquiring their first customers and working for the next round of financing. These women would normally fall into the IDB Group’s “microenterprise” definition but because they have a high potential for rapid growth, they have unique needs beyond what typical microenterprise clients would need. They will participate in acceleration programs and receive seed funding through the Seed capital and acceleration program (Component 2).
- **Growth-stage STEM-focused women entrepreneurs:** These are founders, cofounders, or C-level managers of early-growth stage STEM-based startups with strong business traction and are ready to take their business to scale and their impact to the next level. IDB Lab will provide direct investments in these companies, raising late-seed to Series B rounds of financing. Women entrepreneurs leading these types of companies can generate significant demonstration effects in society, in addition to being role models and mentors for aspiring women entrepreneurs. They can even become angel investors to women entrepreneurs raising their first capital. They will receive financing through the Access to Venture Capital program (Component 3).

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicator	Target
Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi supported Institutions	906
Number of women-owned/led SMEs in We-Fi served institutions that report increased sales or profit	186
Number of direct jobs, disaggregated by sex, created by women-owned/led SMEs	781

SMALL AND MEDIUM ENTERPRISES (SMEs) FINANCIAL SERVICES DEMAND SURVEY WITH A GENDER PERSPECTIVE

Project Type: Research

Project Start Date: May 9, 2022

Geographical Focus: Honduras

Project End Date: August 7, 2025

We-Fi Funding Committed: \$700,000

Total project size: \$700,000

CONTEXT:

Despite the importance of Women's Financial Inclusion (FI), there is still a systematic lack of sex disaggregated data that informs public policy interventions at the public and private sector level and from both the demand-side (data collected from users through household or other surveys), and the supply side (data from financial service providers). The lack of data prevents an adequate diagnosis of the constraints affecting women from a public policy perspective, and it also limits the design of programs and the evaluation of public interventions. The lack of adequate data also impacts the ability of governments to target programs to priority segments such as rural women, women head of households, women entrepreneurs, etc. It also prevents the understanding of the business case for serving women as individuals and WSMEs as a distinct segment with needs and preferences that require the design and implementation of specific approaches. All the prior points out that quality data that incorporates the gender perspective is thus crucial for both understanding this market opportunity, as well as women's preferences, participation, and behaviors in the use of financial services.

In terms of lack of quality and updated and comprehensive SMEs data, Honduras is no exception to the norm. According to the Global Findex, which provides information from individuals, in 2017, 30% of women in Honduras borrowed money, but only 11% did so through a financial institution. The credit obtained is used for education or school fees (16%), health or medical purposes (16%), and to operate and expand their businesses or farms (7%). These data suggest that women in the country are getting credit mostly through informal channels, and that women entrepreneurs are using personal or informal loans for their businesses. In this sense, the International Finance Corporation (IFC) estimates that in Honduras 23% of WMSMEs are fully credit-constrained, having no source of external financing.

Closing the data gap in Honduras is a first step towards addressing the country's Financial Inclusion development goals. However, the data produced in the country is often outdated or not adequate to accurately measure MSMEs' financial access, use, and needs. This in turn hinders the ability of the public and private sectors to present a complete and updated diagnosis in Honduras, which, in turn, hinders the development of adequate public policy interventions and products and service design. This is explained by institutional weaknesses in data collection and analysis, and lack of coordination among policymakers, financial institutions, and other relevant stakeholders, among others.

Along with the barriers related to data specifically linked to SMEs, there is also the fact that, unfortunately, for the case of Honduras, there is no centralized database that serves as a general repository of SMEs information. Nowadays, there is no homogenization on the type of information gathered on SMEs by the different institutions (business association, chamber of commerce, etc.) and so the available decentralized data is not necessarily comparable among institutions. There is a vacuum of information that could allow for better profiling these enterprises and their needs.

In this context, demand-side data will help policymakers in Honduras to analyze these financial constraints faced by women owned/led SMEs. This information will enable a better design of, or adjustments to public policies and programs aimed at MSMEs' access and use of financial products and services. For the private sector, data from demand surveys will enable financial services providers, including fintech companies, to identify service gaps and thus, to craft products and services with value propositions that effectively meet their needs.

CLIENT/PARTNER DESCRIPTION

As requested by the country and given the detailed research nature of the TC and significant level of coordination needed with national public/private sector stakeholders/partners, the Bank will be the project's executing agency, through the Capital Markets and Finance Division, a division with experience executing similar types of demand-driven TC programs with the objective of promoting access to financial services. The Bank will execute the activities in coordination with, and with the support from the corresponding public sector institutions.

The support, and coordination with local counterparts may include, inter alia, organizing or coordinating the participation of other local actors, providing data for the project results indicators, among others. Coordination with national counterparts will be done via periodic meetings held with technical teams from the institutions. The Team Leader will be responsible for supervising all activities conducted under this proposal and for ensuring alignment to the results matrix, and, in coordination with other team members, will consolidate all the team's inputs, and disseminate lessons learned.

PROJECT DESCRIPTION

The project activities will be organized in three components:

Component 1. In-situ coordination and preparation activities for survey Conduction. This activity will foresee the necessary coordination and preparation for the survey to be implemented in the country. This includes preparation activities for the implementation of the survey, such as coordination of a pilot (if necessary), validation of the sample with local stakeholders, coordinating activities and meetings with both the public and private sector, among others.

Component 2. Survey preparation, design, implementation, and standardization. For Component 2, the Bank will hire consultants to carry out the following activities:

Activity 1: Survey design, implementation, analysis. Once preparatory exercises are successfully completed, a consulting firm will be contracted to carry out the data collection and analysis. As a first step in the survey design process, a baseline questionnaire would be developed, and it should include the implementation of a pilot as well as modifications to the base questionnaire depending on the results of the pilot. To this end, the consultant will use a Bank prepared sample of women owned/led MSMEs in Honduras, which includes the diversity of the demand in terms of sectors, sizes, age, geography of the companies, education. After refining survey design in line with pilot results, the implementation phase will begin with the final representative sample of MSME. It is expected that the surveys will bring new information available on the main financial and social constraints, needs and preferences of entrepreneurs MSMEs in Honduras, with gender considerations, to be shared with policy makers and financial service providers. The analysis should incorporate both social and economic variables, as well as differences identified in women and men MSMEs. The analysis should also be contrasted with literature related to women's financial inclusion and explain the results from its perspective.

Activity 2: Development of a survey-design toolkit. This activity aims at facilitating the design, adaptation, and standardization of the demand survey so that it can be replicated for other countries in LAC, via the generation of a survey design toolkit. The toolkit will guide the development of future additional surveys, to collect demand-side data to inform the design of financial policies, products, and services, including digital ones. To serve its purpose, the toolkit will build on lessons learned from similar surveys and initiatives, incorporating all the survey implementation lifecycle -including how to design and test pilots, if necessary- a sample of basic questions to be incorporated and strategies to gather the data. Finally, to enhance replicability, the toolkit will be developed in both English and Spanish.

Component 3. Dissemination of results. The aim of this activity is to ensure that the data collection results will be used for future projects and contribute to the policy debate of how-to better support women-led/owned MSMEs. Under this activity, the focus will be on supporting dissemination activities to share the results with stakeholders, including government counterparts, academic institutions, organizations of women, civil society, financial institutions, and others. Dissemination activities might take the form of dissemination events, production and sharing of infographics, and final editing, translation, and design of reports, among others.

IMPACT:

Expected Results. It is expected that the TC supports gender equality in the financial sector by the generation of financial gender disaggregate data from entrepreneurs and MSMEs in Honduras, and to contribute with the gender and financial inclusion knowledge agenda in the country. It is expected the TC provides a holistic database and survey which allow policy makers and private sector institutions to better serve women enterprises.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicator	Target
Total number of women owned/ led SMEs supported by We-Fi.	500
Number of institutions involved in the survey design	2

BANCO AGRICOLA BLENDED FINANCE INCENTIVE

Project Type: Investment Incentive

Project Start Date: May 24, 2022

Geographical Focus: El Salvador

Project End Date: May 24, 2026

We-Fi Funding Committed: \$100,000

Total project size: \$70,100,000

CONTEXT:

Research suggests one of the key obstacle women-owned/led SMEs face in LAC is the lack of access to finance. The types of businesses women run impact their ability to access finance. As mentioned above firm size and choice of sectors influence banks' analysis of WSMEs borrowing capacity. Also, a perception of higher risk and cultural bias amongst loan officers of financial institutions can persist and impact WSMEs access to finance. Globally, LAC has the largest credit gap for women-owned SMEs (US\$93 billion of a global gap of US\$1.7 trillion).

In El Salvador, 26% of SMEs are led by women. Only 38% of SMEs report to have used a bank loan which is below the average of Central America and the Dominican Republic (45%) and Latin America (46%). With respect to WSMEs only 12.7% use banks to finance investments and they report higher rates of loan application rejection than their male-led counterparts.⁵ The main reasons why WSMEs are denied credit are: lack of a guarantee, lack of a guarantor signature, lack of formalization of the company, among others⁶.

Considering that El Salvador's financial sector falls short in providing sufficient access to finance to WSMEs, IDB Invest can support the sector to focus on financing WSMEs and showcase the business case for this kind of focused lending. IDB Invest identified Banco Agrícola as a key actor to increase financing for WSMEs in El Salvador. The Bank is eager to build on its SME strategy and improve its product and service offering for women-owned/led SMEs.

Agrícola is the largest bank in El Salvador's banking system in terms of assets with a market share of 25% in 2021. It was bought by Grupo Bancolombia in 2006. Traditionally, the Bank focused on the corporate and consumer segments. It is also the largest local FI in receiving and paying remittances of around US\$1.8 billion annually.

Since 2018, Agrícola has started to implement its SME strategy by creating internal capabilities to serve SMEs with specialized commercial teams, supporting SMEs with financial and non-financial support, including for their digital transformation and financial education. In relation to the Bank's WSME segment, Agrícola refined their definition of women-owned/led SME, segment their SME portfolio by gender, and adapt their product offerings to WSME clients. For example, a specific line of credit was developed for these entrepreneurs (Crédito Mujer-Futuro) through which WSMEs can access unsecured credit for up to US\$10,000 at preferential rates. Despite this efforts the Bank's SME portfolio is still small and in 2021 represented 3% (or US\$102 million) of the total outstanding portfolio with WSMEs counting for 27% of the SME portfolio at a volume of US\$27million.

CLIENT/PARTNER DESCRIPTION

Banco Agrícola has been an important, longstanding partner of the IDB Group. Since 2009, it has had a credit line under the Trade Finance Facilitation Program (operation ES-L1031). In 2013, Banco Agrícola received a US\$90 million loan from the IDB Group to issue financing to SMEs and WSMEs (operation ES-L1084), which also included technical advisory services to improve microentrepreneurs' business and management skills. At the time of the Extended Supervision Report (XSR), Banco Agrícola was found to have exceeded the target number of loans to WSMEs and was on track to achieve the proposed loan volume target. With respect to the SME portfolio, the proposed targets had not been reached at the time of evaluation. Later, Banco Agrícola received an US\$18 million loan (operation 11777-04) in 2017 to increase its financing

to the SME segment, which also included technical advisory services to support SMEs with green projects. The XSR for the operation determined that the growth targets for the volume of the SME portfolio were achieved, but the proposed targets for the number of loans had not been met. This was attributable to market conditions at the time, under which Banco Agrícola prioritized SMEs instead of microenterprises, causing the average loan amount to increase. Additionally, the target portfolio was affected by the COVID-19 crisis in 2020. The technical advisory services were implemented successfully. The transaction team shared the lessons learned from previous operations to help Banco Agrícola improve the effectiveness of new operations.

PROJECT DESCRIPTION

IDB Invest will support Banco Agrícola, S.A. ("Agrícola" or the "Bank") with a subordinated financing of US\$70 million to enhance the Bank's capital structure and promote growth in Agrícola's SME and green lending portfolios.

The financing consists of an unsecured subordinated loan of up to US\$70 million to Banco Agrícola, S.A. ("BA" or the "Bank"), with a term of up to 10 years, including a 5-year grace period for principal payments. This financing will be fully funded by IDB Invest. The objectives of the financing are: (i) to strengthen the Bank's capital, (ii) to provide long-term financing that allows for a more adequate match between assets and liabilities, and (iii) to increase access to financing for small and medium-sized enterprises ("SMEs") and the green project portfolio of BA.

Additionally, the Project will have a blended finance component in the form of performance-based incentives from the "We-Fi" initiative for BA of up to US\$100,000, subject to the achievement of goals in relation to the Women's SME portfolio.

In order to support the client achieving these goals the Advisory Service's Diversity and Inclusion team will support Agrícola to develop its gender value proposition and improve its financial and non-financial services to reach WSMEs through (i) development of a women's market strategy; (ii) guiding the Bank in strengthening their process of disaggregated identification and tracking of credit solutions; and (iii) strengthening the Bank's non-financial offering focusing on WSMEs including on climate-change topics such as climate risk and energy efficiency analysis for these businesses.

IMPACT:

By 2026, it is expected that Agrícola will increase the number of WSMEs clients in the SME portfolio from 669 companies in 2021 to 850 in 2026, which would represent 43% of SME clients and grow their outstanding WSME lending portfolio from US\$27 million in 2021 to US\$88 million in 2026.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicator	Target
Total number of women owned/ led SMEs supported by We-Fi.	850

ANNEX IX. FINANCIAL STATEMENT



INTER-AMERICAN DEVELOPMENT BANK
Unaudited Financial Statement

WEF - 1755

Women Entrepreneurs Finance Initiative (We-Fi)
June 30, 2022
(Expressed in United States Dollar)

Statement of Assets

Cash	20,335
Investments	6,829,074
Receivable from donors	26,907,068
Total Assets (1)	33,756,477

Administrator's Accountability:

	Prior Years Accumulated	Current Year	Total
Fund contributed	38,995,126	-	38,995,126
Transfer to other Funds	(1,583,653)	-	(1,583,653)
	37,411,473	-	37,411,473

Income (Expense) from investments	19,675	(601)	19,074
Expense from cash accounts	(6,139)	(1,466)	(7,604)
Technical cooperation expense	(21,197,810)	(700,000)	(21,897,810)
Other finance expense	(4,560,000)	(100,000)	(4,660,000)
Administrative commissions	(932,431)	-	(932,431)
	(26,676,705)	(802,067)	(27,478,771)
Total Fund Balance	10,734,768	(802,067)	9,932,702

Interfund accounts payable	78,620
Undisbursed technical cooperation	19,067,366
Undisbursed other financing	4,630,000
Other liabilities	47,790
Total Liabilities and Fund Balance (1)	33,756,477

(1) Data are rounded; detail may not add up to subtotals and totals because of rounding.