

Women Entrepreneurs Finance Initiative (We-Fi)

**THEMATIC FUNDING REQUEST
ON A PROPOSED FINANCING
IN THE AMOUNT OF USD 1,000,000
TO THE**

EUROPEAN BANK OF RECONSTRUCTION AND DEVELOPMENT

FOR

SEMED We-Finance code pilot

Egypt, Morocco

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I. WE-FI THEMATIC REQUEST – DATA SHEET

Note: it is preferable to include each country pilot as a separate proposal. If two or more countries are implementing the Code jointly, they may be included in the same proposal, so long as country-level information is provided on readiness, budget and results.

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

BASIC INFORMATION

IP Name	European Bank for Reconstruction and Development
Program/Project Name:	SEMED We-Finance code pilot
Country(s)	Egypt, Morocco
# of partners engaged through the Pilot	2 Regulators 1 membership based organisation 4 PFIs
Private Sector, Public Sector or Both	Public and private sector
Implementation Start Date	October 2023
Commitment End Date	No later than June 30 th 2025
Supervision End Date	No earlier than June 30 th 2027
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WE-FI FUNDING REQUEST

USD	Year 1	Year 2	Total
Investment Activities	-	-	-
Advisory / Technical Assistance	297,412	532,588	905,000
Grants to WSMEs	-	-	-
Research & M&E	-	75,000	75,000
Administrative Fee	20,000	-	20,000
Total We-Fi Financing Requested	317,412	682,588	1,000,000

TOTAL PROGRAM COST & CO-FUNDING^{1,2}:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	1,000,000
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] ³ (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total Activity Size (G)= (F+A)	1,000,000
Of which %IDA and %FCS (IDA+FCS / G)	0%
Co-Funding ratio (F/A)	0

¹This document utilizes the term 'co-funding' in lieu of the term "leverage" as used in We-Fi's Governance Framework.

² See Annex 1 for definitions and guidance on this table

³ *Inter alia*, parallel funding arrangements should be captured here.

SEMED WE-FINANCE CODE PILOT

WE-FI FUNDING PROPOSAL

II. PROGRAM/PROJECT DESCRIPTION (max. five pages)

A. Objective Statement:

The overall objective of this pilot is to build the buy-in and capacity of regulators, financial institutions, and other ecosystem players to close the gender-financing gap across Egypt and Morocco. The Pilot will achieve this by establishing country-level codes and significantly scaling up commitments to, and production of, sex-disaggregated SME data across the two countries.

The EBRD has been focused on tackling the gender gap in access to finance, markets and networking for women in both countries, through its flagship Women in Business Programme. The programme aims to accelerate the financial inclusion of women-led SMEs, by providing them with access to finance and access to knowledge, markets, and networks. It also comprises a set of financial-inclusion policy dialogue activities, modelled on the We-Fi programme. The pilot of the We-Finance Code is an important opportunity to build on this early-stage foundation and create a coordinated public-private effort to address the lack of sex-disaggregated SME data (SDD) as a systemic impediment to expanding finance for women-led SMEs (WSMEs). Through the pilot, the EBRD plans to catalyse existing efforts and create a pull from the financial regulatory authorities to scale up the availability of SDD SME data and improve financing to WSMEs through the leading financial institutions on the supply side and women's business associations and entrepreneurial ecosystem at the demand side. Central to the EBRD's ambitions under the pilot is the continuation of efforts to build stakeholders capacity to collect, analyse and leverage SDD SME data to promote positive change for WSMEs both at the FI and policy level. The pilot will leverage EBRD's existing strong relationships with private and public sector partners.

Over the initial stage of the pilot, the EBRD will offer technical capacity building to the Central Banks in both countries, complemented with a baseline assessment of WSMEs ecosystems, their market size and needs. The second phase will revolve around developing gender responsive financial products and services, to develop an initial action plan and national awareness campaign on WSMEs financial inclusion to attract potentially interested financial institutions. The third phase will consist in EBRD technical support to participating financial institutions, by developing their ability to collect, report and analyse sex-disaggregated data. The last phase will concentrate on supporting the regulators to link the existing data to global aggregated indicators (such as IMF or OECD SMEs indexes).

B. Program Design and Key Activities

The EBRD's programme design will rely on three stages of implementation: Groundwork, Implementation and Action. Groundwork will focus on working with regulators to prepare for the implementation of the code, acquiring data on the demand and supply side, on needs, size and opportunities around improved financial inclusion for WSMEs. The second phase will leverage the central regulatory champion to organise training and capacity building for stakeholders across the financial ecosystem. Action will aim to ensure that any changes to SDD SME collection have effect and data linked to global aggregated indicators whilst sharing insights and key data insights around financial inclusion of WSMEs in the country.

	Egypt	Morocco
Phase 1: groundwork	Technical capacity building to Central Banks (with Financial Alliance for Women) on the We-FI code, its establishment and implementation. Aim to launch the code during a conference on International Women Day 2024	
	Baseline assessment exercise of WSMEs ecosystem to support them in highlighting the market opportunity to financial institutions, including mapping of the ecosystem, identify data flows and assess state of gender data collection in the country	
	Demand side: conduct a robust assessment (in partnership with IFC) of market size and needs of WSMEs, building on previous surveys to assess the current level of financial inclusion in the countries and and highlight business case for financing WMSMEs	
	Supply side: data collected through the implementation of Inclusive Taxonomy piloted by EBRD, in order to build inclusive and gender-responsive financial systems, through a survey identifying PFIs' needs and opportunities to improve their standards and products	
	National awareness campaigning, with with clear communication messages highlighting the business case, market gaps and opportunities of WMSMEs financial inclusion will be developed in order to support the recruitment of signatories.	
	Liaise with CBE Financial Inclusion, SME reform, IT and payments teams through advisory services and capacity building activities, including training programmes and dedicated study tours to build the capacity of the regulators in advising PFIs in developing gender responsive financial products and services and to better address the challenges in reporting on the gender disaggregated data requirements	Liaise with BAM Financial Inclusion and SME Observatory teams to establish national data collection IT infrastructure, the necessary connections with key public stakeholders as identified in the ecosystem assessment, in order to ensure the harmonization of the definition of WMSMEs across different actors of the Moroccan government
Implementation	Technical support to participating institutions, develop training modules to institutionalize practices that support the code, and work directly with PFIs to improve their ability to collect sex-disaggregated data in compliance with the BAM's recommendation and template.	
Phase 3: action	Once the code is set up with a coalition of participating PFIs formed, and PFIs are reporting on SDD basis, supporto to link the data to global aggregated indicators (IMF or OECD SMEs index). Technical support to publish reports and share key data insights around financial inclusion of WSMEs publicly.	

The EBRD will complete the above actions with the funds provided through the We-Finance Code pilot. At every stage, the EBRD will generate complementarities through the Bank's existing operations and partnerships in both countries with other key public and private stakeholders. The EBRD has a long running Women in Business Programme in both countries, providing financial institutions with funds for on-lending to WSMEs, and providing a comprehensive package of technical assistance to PFIs to help them develop an offering for WSMEs. The ongoing Women in Business Programme provides a potential pool of motivated financial institutions with exposure to female entrepreneurs and is in parallel supporting them in developing products that meet the needs of female entrepreneurs. With financial institutions that do not participate under the Women in Business Programme, the EBRD will utilize We-Fi funds for training and capacity building support, to maximize market impact, including through the membership in organisations such as the Financial Alliance for Women. In addition, the Bank will leverage existing relationships, investment councils and platforms to promote cooperation across the public private sectors.

C. Country Readiness:

Egypt:

- The Central Bank of Egypt is the champion leading the financial inclusion agenda in Egypt:
 - It established the Financial Inclusion External Data Committee in 2019 with the aim of strengthening cooperation and coordination between the stakeholders responsible for achieving Financial Inclusion at the national level, each of which has an important role to play in its reinforcement;
 - It has issued guidelines that target financial institutions to collect and report data based on gender, which is paving the way for the Central Bank to collect, analyse and use gender disaggregated data by 2020;
 - Its Financial Inclusion Data hub is collecting sex-disaggregated data from financial institutions and the PO using the national ID as a unique identifier. The Data hub for SMEs was piloted in 2022 with five participating financial institutions and will be rolled out to the rest of the banks in 2023;
 - Its Board of Directors issued a definition of women-owned business in July 2018 and circulated it to banks. With Support from AFI, the CBE managed to establish two data hubs, one for individuals and another for SMEs, to further strengthen its regulatory efforts with evidence based policies.
- Following the launch of the financial inclusion strategy (2022-2025)⁴, the CBE requested EBRD support in the implementation of the strategy. Piloting the WE Finance Code is the ideal vehicle to offer the CBE a holistic package of technical assistance to support the implementation of the strategy in accelerating the financial inclusion of WSMEs.

⁴ <https://www.cbe.org.eg/en/Pages/HighlightsPages/The-Central-Bank-of-Egypt-launches-the-Financial-Inclusion-Strategy-2022-2025.aspx>

Morocco:

- Bank Al-Maghreb (BAM) leads the financial inclusion agenda in Morocco:
 - In 2013, it took the initiative to establish the Moroccan Observatory of MSMEs by raising awareness among various stakeholders about the importance of joining this large-scale national project. Its main mission is to provide the public and private sectors with MSME information using statistical indicators, visual infographics and general and thematic studies;
 - It committed to gender mainstreaming in the financial sector in Morocco through recommendation R N. 1/W/2022, including a number of measures such as gender mainstreaming the governance of financial institutions, gender responsive product offerings, gender-disaggregated data, setting up data collection system, indicators and dashboards to manage the gender dimension;
 - It adopted a unified definition of WSME vis-a-vis financial institutions, however this definition is not harmonised with other public sector stakeholders and partners. This is a necessary step to the set up a national framework for the collection and analysis of SME SDD.
- In December 2022, UN Women Morocco in partnership with the Ministry of Economy and Finance, the credit guarantee fund Tamwilicom, and the Federation of Moroccan Banks and in coordination with BAM launched the Gender Lens Initiative. The initiative includes the development and deployment of guarantee and credit products targeting WSMEs at preferential rates. The initiative also will introduce support programmes for WSMEs through a wide range of non-financial services. This initiative offers an existing platform that can help form the national coalition for the implementation of the code.
- Unlike Egypt, Morocco committed to the collection of sex-disaggregated data but is yet to establish the national framework to facilitate its collection to FSPs. This makes the code a good framework to establish this national framework with other public sector stakeholders and key actors in the ecosystem. The coalition will also allow EBRD to support BAM in offering the FSPs the needed technical support to collect sex-disaggregated data.

D. Stakeholders & Key Partner Readiness:

EBRD consulted CBE, which showed interest in the launch and implementation of the code. In the context of our policy engagements in Egypt, EBRD is engaged with a number of stakeholders, public, private, as well as international organisations such as AFI, IFC, OECD, UN Women, and GIZ Egypt, among others. EBRD will engage with a number of key national stakeholders in the framework of the implementation of the code. This includes the Financial Regulatory Authority (FRA) that regulates all non-banking financial sector. The FRA and the CBE collaborate closely on the financial inclusion agenda under the leadership of the CBE. The Federation of Egyptian banks will play a strong role in supporting the pilot of the code as well as in recruiting the different signatories once the code launches.

Out of the five banks that participated in the pilot for the data hub for SMEs gender disaggregated data collection, the National Bank of Egypt piloted the WiB (and YiB) Programmes in Egypt and benefited from advisory services in the development of their MIS systems to collect sex-disaggregated data. CIB is also a strong potential champion. The private sector bank is a WiB client and is a pioneer in the financial sector with a very strong sustainability team.

EBRD discussed the pilot of the code with BAM's financial inclusion team, which showed interest in the launch and implementation of the code. In Morocco, EBRD managed to connect with several international organisations that can add value to the economic empowerment agenda such as AFI, UN Women Morocco, GIZ Morocco, CARE Morocco among other stakeholders. The EBRD will build and coordinate with the Gender Lens Initiative platform (which includes all the above-mentioned stakeholders). The Gender Lens Initiative has a committee coordinated by UN Women. This alignment will be key to the acceleration of the implementation of the code as we will build on the existing platform with its stakeholders and widen its scope. Tamwilicom and the GPBM are also key stakeholders in the Moroccan financial sector. They play a very strong role in rolling out national initiatives as well as work very closely with BAM in advancing the financial inclusion agenda in Morocco.

As for potential signatories and champions, the EBRD has longstanding relationships with Bank of Africa (previously BMCE) and Banque Centrale Populaire (BCP). The two financial institutions are two of the largest in the country and they are WiB Morocco pilot clients with the awareness, readiness, and interest in complying with BAM's recommendations in the collection and analysis of sex-disaggregated data.

E. IP Readiness/Track Record:

The EBRD has extensive experience in delivering national progress on SDD data collection and financing of WSMEs. The EBRD's flagship Women in Business (WiB) Programmes were designed to offer a holistic model (see annex) to respond to the varied needs and gaps in provision of key growth enablers for women entrepreneurs at the market level. The programme provides (i) targeted finance to women-led businesses, (ii) technical assistance to participating financial institutions to build their capacity to serve women entrepreneurs, and (iii) advisory, mentoring and support to women entrepreneurs to grow their businesses and access finance. MIS changes and SDD data collection have strong emphasis in the technical component of the WiB programme. This combines PFIs having capacity to sex-disaggregate their SME data, as well as making concrete changes to MIS systems of the PFIs.

In 2019, the scope of the Women in Business Programme was augmented with the addition of a policy component, first launched in Central Asia and then extended to Egypt, Morocco (and funded out of the We-Fi's 2nd and 3rd rounds) and the Western Balkans (currently funded by the EBRD Shareholder Special Fund). This policy component has a significant focus on the collection, analysis and disclosure of SDD SME data.

III. IMPACT AND LEARNING (1-3 pages)

A. Sustainable Beneficiary Impact:

The EBRD has a long-standing record of promoting access to finance for women entrepreneurs, by providing credit lines, loans, and equity investments specifically targeting women-led businesses. The effectiveness of EBRD flagship programs, such as the Women in Business, is testimony of the impact that the Bank achieves through its activities. For example, in Türkiye, participating FIs significantly increased their lending to new as well as pre-existing female client entrepreneurs, compared to male. Moreover, female entrepreneurs benefitting from the programme grew their operations significantly faster and were six percentage points less likely to default, compared to the counterfactual (Bircan et al., 2022). The direct impact of the pilot will stem from the number of PFIs collecting and reporting their SME data on a SDD basis, relying on a uniform definition of WSMEs. It will enable tracking the provision of the financial and non-financial services to the WSMEs against the established baseline at the PFIs' level and expand the overall PFI's lending portfolio (indirect impact) as well as sector and national / regional levels.

Reducing gender disparities goes hand-in-hand with higher economic growth, greater economic stability and resilience, and lower income inequality (IMF, 2022). Set within the UN SDGs (goal 5), the IMF gender mainstreaming strategy comprises of four pillars to address such disparities, including the collection of sex-disaggregated data. This is crucial to advise and conduct policy analysis, to identify and fill the right gaps. Given the national context of the pilot, the proposed approach is to follow the national definition of WSMEs and SMEs, including differentiation between micro and SME. In this regard, the legislation of a uniform definition of WSMEs is an integral part of the EBRD's on-going policy dialogue as specified in the project design section. According to the latest EBRD-EIB-WB Enterprise Survey, only 2% of firms located in Egypt or Morocco have a female top manager, and also only 2% have more than 50% female ownership.

To promote the financial inclusion of women, deliver inclusive policy reforms and remove barriers to women's entrepreneurship, the EBRD is leading policy dialogues to bring together public and private stakeholders. Through the implementation of the Code, the EBRD will actively support several reforms, among which: (i) the introduction of sex as a category for registering the manager and owner of the MSME in business registries, against the uniform definition of the WSME legislated in each country; (ii) change in the reporting policy/ requirements for commercial banks to include and report sex disaggregated data; (iii) adoption of policies that improve the ecosystem, support services and financial mechanisms for development of women MSMEs (i.e., strategies for Women entrepreneurship Development, and Strategies for SME Development).

B. Results Framework:

Direct impact and Theory of Change: The EBRD's gender programmes follow a clear Theory of Change, reflecting individual, company and market level outputs and outcomes to promote

gender equality (see annex). EBRD inputs range from bank capital (on-lending), to leveraging Donor Funds for technical assistance and risk cover, as well as Strategic Partnerships. Through investments, TAs and policy engagements, the EBRD aims to address the constraints women face in accessing finance through its partner financial institutions, developing new financial products, support women access to skills and development opportunities, and further reforms within public policies, laws and regulations. Short- and long-term impact aim to build inclusive and gender-responsive financial systems, while amending the policy dialogue to include gender considerations.

In this regard, the We-Fi Code partnership has a pivotal role in actualizing such strategic objectives. By engaging with champions to mainstream the collection of sex-disaggregated data across private and public sector stakeholders, and concretely mobilizing capital to finance WSMES, the EBRD can supplement its efforts to promote women entrepreneurship within the region. In line with the Women in Business Programme, the client-level and market-level outcomes (quantified in the Results Framework attached) will track increased access to finance (e.g., loans, equity investments disbursed), new opportunities and business practices for WSMES, as well as changes in regulatory and institutional frameworks and development of new financial products.

Indirect impact at the National level: data collected from publicly available sources may proxy for indirect impact of the partnerships for each country. The implementation of the We-Fi code will allow improved access to finance for small and medium enterprises. The World Bank collects on a yearly basis a wide series of indicators related to Gender, and more specifically related to entrepreneurship. Moreover, the EBRD has developed its own definition of firms being “credit constrained”, based on the latest EBRD-EIB-WB Enterprise Survey. A firm is credit constrained if it had applied for a loan in the previous 12 months, and either got its request rejected or got discouraged in the process, hence not getting the loan. Women-led SMEs are on average more likely to be credit-constrained compared to men-led. The implementation of the code will track a reduction in such discrimination.

More generally linked to gender equality, the Women, Business and the Law report aims to measure the (unequal) rights between men and women. One key component of measurement is entrepreneurship, which analyzes constraints on women’s starting and running a business. Similarly, the Global Gender Gap report aims to yearly benchmark gender parity across most countries around the world. Of specific interest is the economic participation and opportunity between men and women. Tracking of both measures could help measure progress at the national level in these regards.

C. Learning Agenda:

Similar to other partnerships between EBRD and We-Fi to evaluate longstanding barriers affecting WSMES access to finance, an impact evaluation study will focus on assessing the effectiveness of the implementation of the Code on enhancing access to finance for WSME. Key importance stems from the collection of data on WSME lending ex-ante, during and ex-post the implementation of the pilot, including new financial products developed for women

entrepreneurs across each year of the implementation. Outcome measurements will concentrate on gender diversity in the financial sector, the effect of new products for WSMEs and the enhanced level of financial inclusion of WSMEs.

The design will follow a two-step approach, comparing the treatment group (PFI “champions”) against a broader group of counterfactuals, following one among quasi-experimental approaches. The aim of the research findings shall on the one hand contribute to better design and phasing of the projects, and on the other provide policy-oriented recommendations as to how to address further gaps in women access to finance across the region. Research / Impact briefs will disseminate the key insights at baseline, midline and endline, and will contribute to We-Fi's knowledge and learning agenda and resources, which can be disseminated at dedicated events.

The EBRD is also contributing to the We-Fi knowledge agenda. In partnership with We-Fi and CEPR, the EBRD is organizing a research conference in its HQ (23-24 October 2023) to discuss original evidence regarding financial inclusion topics for women-led SMEs in developing economies. Policy-oriented sessions and academic paper presentations will serve to bring research findings closer to the design and implementation of projects to improve access to finance for women.

The pilot will be supplemented by the EBRD's internal thematic-level evaluation focused on learning and originated by the EBRD's Banking, Office of the Chief Economist and Impact teams. This thematic-level assessment of the Women of the Steppe Programme in Central Asia, currently scheduled across the next 3-years, is expected to generate usable learning for improved institutional performance and results management. This will be compiled in a lessons platform to facilitate use in future operations and strategic decisions and disseminated in through various events to promote organisational learning, improve awareness, ease of access and use of findings and lessons.

IV. KEY RISKS AND MITIGATION MEASURES (max. one page)

Risks identified:

The key operational risks relating to the activity design and implementation arrangements are considered **to be low** given the EBRD's long standing relationship with key stakeholders including policy makers in each of the target countries, as well as its direct presence through its network of local offices.

Political, social and governance risks are considered **to be low**. In Morocco, despite a solid macroeconomic environment, growth has decelerated more recently, and a renewed dynamic will require further substantial structural reforms. Morocco has implemented significant reforms over the past decade. Its political economy has been conducive to doing business and it has climbed significantly in international business environment rankings. Nonetheless, with

population growth and climate change adding to challenges, deeper reforms are needed to achieve more inclusive and sustainable growth.

As for Egypt, building on successful macroeconomic reforms under an IMF programme 2016-2020, the country achieved significant progress: solid macroeconomic policies as well as public investment in infrastructure supported economic growth throughout the pandemic. However, the country faces some important challenges:

1. the role of the state in the economy has expanded in recent years into more sectors and distorts a level playing field;
2. growth will have to become much more inclusive for the large number of young people entering the job market, remote and rural regions and women; and
3. the reliance on fossil fuels and slow progress in mitigating and adapting to climate change.

The recovery (although slowed down by external sector challenges in the wake of the war on Ukraine) coincides with an important double crossroads in 2022, notably (1) the launch of its second phase of structural reforms and (2) its role as host of the COP27. This is also reflected in an overarching aspiration of creating a “New Republic” that achieves continued fast growth, but also with more equitable benefits for all through a new social contract. The government has been working on a new package of wide-sweeping policy reforms (including SOE governance, industrial policies for specific sectors and overall improvements to governance). Further details on these risks provided in attachment 3.

Proposed Action Plan:

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme’s activities. Both regulators are informed and aligned of the opportunity to pilot the WE Finance Code in both Egypt and Morocco and they will be heavily involved in the planning of the in-country implementation of the code.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD’s Project Complain Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

Further detail on the risk mitigation actions that will be undertaken is provided in attachment 3.

Annex 1 – EBRD Breakdown of Costs⁵

All in US\$, million Programme Components and Other Categories	2 years of implementation			
	WE-Fi funds	Budget Notes	Egypt	Morocco
Capacity building to national stakeholders, local banks and SDD SME aggregator / platform	494,824	Mapping of the SDD SME ecosystem with the data flows, state of data collection and usage; tailor gender data learning series to WMSMEs and country cluster needs; on-line peer learning, development of the communities of champions, creation of the dashboard data with the use cases, dissemination of the results and progress tracking.	247,412	247,412
Programme co-ordination & administration	230,177	Development of the action plan, co-ordination of stakeholders and PFIs, form coalition & recruit signatories, train the EBRD staff, in-country visits, contracting, donor reporting and administrative support	115,088	115,088
Membership in the partner organisations (FAW, AFI, WWB)	55,000	Calculated based on the #PFIs under the WiB over 2 years	36,667	18,333
Programme Visibility	50,000	Awareness-raising, branded promotion material, events organisation, in-country study trips & exchanges	25,000	25,000
Research & Learning	150,000		150,000	
<i>IP Management Fees (5%)</i>	20,000		10,000	10,000
TOTAL	1,000,000		584,167	415,833

⁵ The EBRD is requesting flexibility of 20% in budget allocation by country and line item over the implementation period of the proposal.

EGYPT

USD	Year 1	Year 2	Total
Investment Activities	-	-	-
Advisory / Technical Assistance	148,706	275,461	424,167
Grants to WSMEs	-	-	-
Research & M&E	-	150,000	150,000
Administrative Fee	10,000	-	10,000
Total We-Fi Financing Requested	158,706	341,294	584,167

MOROCCO

USD	Year 1	Year 2	Total
Investment Activities	-	-	-
Advisory / Technical Assistance	148,706	257,127	405,833
Grants to WSMEs	-	-	-
Research & M&E	-	-	-
Administrative Fee	10,000	-	10,000
Total We-Fi Financing Requested	158,706	257,127	415,833

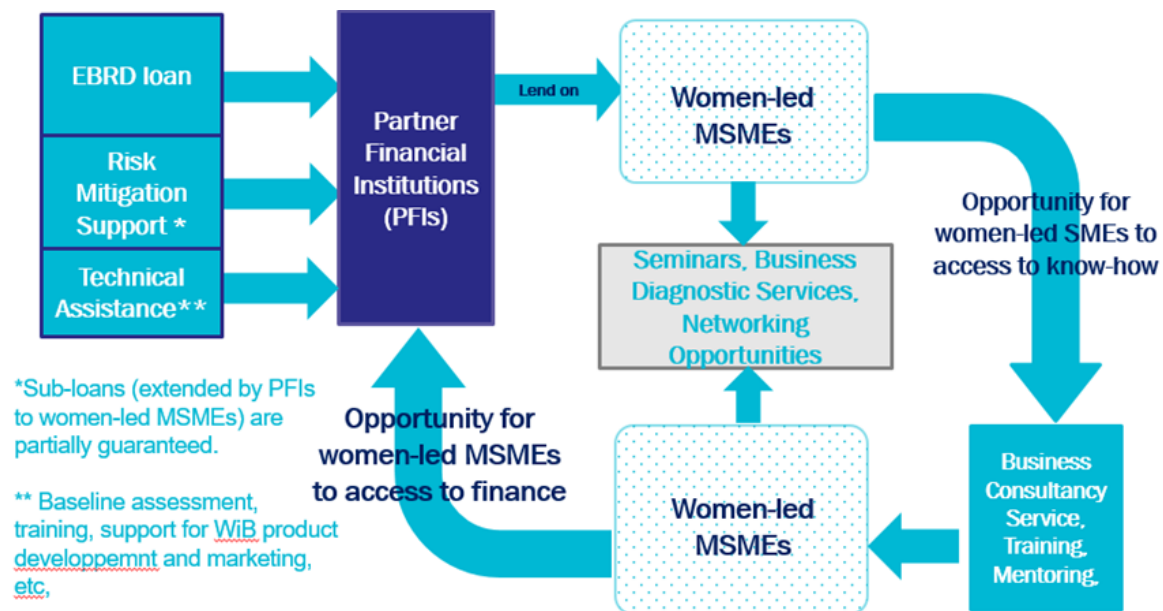
EGYPT

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	584,167
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] [1] (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total ActivitySize (G)= (F+A)	584,167
Of which % IDA and % FCS (IDA+FCS / G)	0% 0
Co-Funding ratio (F/A)	0

MOROCCO

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	415,833
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] [1] (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total ActivitySize (G)= (F+A)	415,833
Of which % IDA and % FCS (IDA+FCS / G)	0% 0
Co-Funding ratio (F/A)	0

Annex 2 - Structure of SEMED Women in Business Programme



Annex 3 - EBRD Women in Business, Theory of Change

Inputs	Activities	Client Outputs	Client-Level	Market-Level	Economy-Level
Bank capital (for on-lending)	Extending loans	Financial products and services for target groups modified, expanded and/or upgraded	Target group entrepreneurs/SMEs have access to finance and knowhow to operate and grow their business	Access to finance and entrepreneurship increased throughout sector/region/country	Equality of access to economic opportunities increased
Bank's own resources (staff)	Extending credit lines to PFIs	Collaboration between client and relevant authorities established	Access of target group entrepreneurs/SMEs to capital increased	Legal, regulatory and institutional frameworks that facilitate equal opportunities improved throughout sector/region/country	Role of MSMEs in economy strengthened
Bi-lateral and multi-lateral donor funds (blended finance)	Extending risk-transfer/sharing instruments	Business services and networking support to entrepreneurs/SMEs facilitated	Corporates/public institutions systematically integrate gender & inclusion considerations	Financial system products diversified and deepened (expanding access).	
Strategic partnerships (e.g. ETF, ILO, OECD, UNDP)	POLICY DIALOGUE: Advising and advocating for improvements to public policies, plans, strategies, standards, laws and regulations				

Impact statement: Human capital at an individual, company and market level developed and preserved, inequality of opportunity reduced

Annex 4 – Results Framework

Attached as a separate document.

Annex 5 – Risk Framework

EGYPT

V. KEY RISKS AND MITIGATION MEASURES (max. one page)

Risks identified:

The key operational risks relating to the activity design and implementation arrangements are considered to be low given the EBRD's long standing relationship with key stakeholders including policy makers in each of the target countries, as well as its direct presence through its network of local offices.

Political, social and governance risks are considered to be low. In Egypt, building on successful macroeconomic reforms under an IMF programme 2016-2020, the country achieved significant progress: solid macroeconomic policies as well as public investment in infrastructure supported economic growth throughout the pandemic. However, the country faces some important challenges:

2. the role of the state in the economy has expanded in recent years into more sectors and distorts a level playing field;_
3. growth will have to become much more inclusive for the large number of young people entering the job market, remote and rural regions and women; and_
4. the reliance on fossil fuels and slow progress in mitigating and adapting to climate change.

The recovery (although slowed down by external sector challenges in the wake of the war on Ukraine) coincides with an important double crossroads in 2022, notably (1) the launch of its second phase of structural reforms and (2) its role as host of the COP27. This is also reflected in an overarching aspiration of creating a “New Republic” that achieves continued fast growth, but also with more equitable benefits for all through a new social contract. The government has been working on a new package of wide-sweeping policy reforms (including SOE governance, industrial policies for specific sectors and overall improvements to governance). Nevertheless, EBRD has a well-established presence in Egypt and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

Proposed Action Plan:

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme’s activities. Regulators are informed and aligned of the opportunity to pilot the WE Finance Code in Egypt, and will be heavily involved in the planning of the in-country implementation of the code.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD’s Project Complain Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm. Further detail on the risk mitigation actions that will be undertaken is provided in attachment 3.

Annex 5 – Risk Framework

Egypt					
Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures? • Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels? • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • The risk that activity outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get 	Possible	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with the Central Bank of Egypt and other key stakeholders in the ecosystem and is one of the largest investors and SME lenders in the country. Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<ul style="list-style-type: none"> • EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme. • EBRD is implementing a comprehensive policy dialogue in Egypt in partnership with the Central Bank of Egypt and has built strong relationships with the key executing agencies. EBRD will also continue supporting Egyptian PFIs through its WiB Programme, to implement MIS changes and enhancing

what they need, when and how they need it.					<p>the PFIs' ability to report sex-disaggregate SME data.</p> <ul style="list-style-type: none"> • All of the TC will be procured in accordance with the EBRD's procurement policies and rules which are well understood and accepted in the market and not require transfer of funds between multiple government levels. • Central Bank of Egypt is informed and aligned of the opportunity to pilot the WE Finance Code in both Egypt and three teams from the regulator's side will be heavily involved in the planning of the in-country implementation of the code. • Careful design of activities in consultation with CBE transparent communication of the outputs and outcomes, as well as a closer dialogue in advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as
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					safeguards to ensure the achievement of activity objectives. Lastly, An impact evaluation study with a focus on assessing the effectiveness of the implementation of the Code on enhancing access to finance for WSME will be conducted at the end of the pilot.
Political, Social and Governance Risks					
Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.	Possible	Medium	Low	EBRD has a well-established presence in Egypt and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. The current political situation in Egypt is stable, with commitment and openness towards introducing structural reforms from the government. Risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women`s role in business and external economic shocks.	<ul style="list-style-type: none"> • The Bank engages with local authorities by providing policy advice, technical cooperation and assistance to build the capacity of both government institutions and banks, and advocate for key reform-agenda items that matter to business. Specifically, engagements with the regulators in setting up the pilot for the code through the development of a national coalition comprised of key stakeholders from the public as well as the private sector will improve accountability of the public sector in the face of the private sector with

					<p>regards to women's economic empowerment.</p> <ul style="list-style-type: none"> • The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible, opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards. • In order to mitigate against the political risk, the proposed activity entails a policy engagement to unify the definition of WSME in each country and mandating the collection of the SDD SME data by the banking regulator. • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including UN
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					<p>Women, IFC, Alliance for Financial Inclusion (AFI), and Financial Alliance for Women (FAFW)) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions. As such, the Central Bank of Egypt has been a principle member of AFI network since 2013 and co-leads the Financial Inclusion Data (FID) working group. In March 2019, around 100 participants representing AFI member institutions attended the FID and Global Standards Proportionality (GSP) Working Group Meetings in Egypt.</p> <ul style="list-style-type: none"> • Advocacy and awareness raising has been included as an important and substantial activity under the Programme, to play a role in raising the profile of the Code.
Fiduciary Risks					

<p>The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or activity participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.</p>	Unlikely	Substantial	Medium	<p>EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<ul style="list-style-type: none"> • Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds. • The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification. • Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.
Environment and Social Safeguards/Standards					

<p>Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment.</p> <p>The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.</p>	Unlikely	Medium	Low	<p>The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will be required to adhere to the EBRD's E&S requirements, including in the areas of health, safety, social, labor and environment.</p>	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.
Other Risks					
<p>Please identify any other risks associated with your activity.</p>	Unlikely	High	High	<p>Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting SDD SME data and observing data privacy rights in the process thereof.</p>	<ul style="list-style-type: none"> • The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs.

					<ul style="list-style-type: none">• The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.
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MOROCCO

Risks identified:

The key operational risks relating to the activity design and implementation arrangements are considered to be low given the EBRD's long standing relationship with key stakeholders including policy makers in each of the target countries, as well as its direct presence through its network of local offices.

Political, social and governance risks are considered to be low. In Morocco, despite a solid macroeconomic environment, growth has decelerated more recently, and a renewed dynamic will require further substantial structural reforms. Morocco has implemented significant reforms over the past decade. Its political economy has been conducive to doing business and it has climbed significantly in international business environment rankings. Nonetheless, with population growth and climate change adding to challenges, deeper reforms are needed to achieve more inclusive and sustainable growth. EBRD has a well-established presence in Morocco and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

Proposed Action Plan:

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities. Regulators are informed and aligned of the opportunity to pilot the WE Finance Code in Egypt, and will be heavily involved in the planning of the in-country implementation of the code.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complain Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

Further detail on the risk mitigation actions that will be undertaken is provided in attachment 3.

Morocco			
Risk Description	Rating	Assessment	Response Measures

	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures? • Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels? • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • The risk that activity outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get what they need, when and how they need it. 	Possible	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with Bank Al Maghrib and other key stakeholders in the Moroccan ecosystem and is one of the largest investors and SME lenders in the country.</p> <p>Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<ul style="list-style-type: none"> • EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme. • EBRD is implementing a comprehensive policy dialogue in Morocco in partnership with Bank AlMaghrib and has built strong relationships with the key executing agencies. EBRD will also continue supporting Moroccan PFIs through its WiB Programme, to implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.

					<ul style="list-style-type: none">• All of the TC will be procured in accordance with the EBRD's procurement policies and rules that are well understood and accepted in the market and not require transfer of funds between multiple government levels.• Bank Al Maghrib is informed and aligned of the opportunity to pilot the WE Finance Code in Morocco and the regulator will be heavily involved in the planning of the in-country implementation of the code.• Careful design of activities in consultation with Bank Al Maghrib and transparent communication of the outputs and outcomes, as well as a closer dialogue in advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives.
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Political, Social and Governance Risks					
Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.	Possible	Medium	Low	EBRD has a well-established presence in Morocco and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. The current political situation in Morocco is stable, with commitment and openness towards introducing structural reforms from the government. Risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women`s role in business and external economic shocks.	<ul style="list-style-type: none"> • The Bank engages with local authorities by providing policy advice, technical cooperation and assistance to build the capacity of both government institutions and banks, and advocate for key reform-agenda items that matter to business. Specifically, engagements with the regulators in setting up the pilot for the code through the development of a national coalition comprised of key stakeholders from the public as well as the private sector will improve accountability of the public sector in the face of the private sector with regards to women`s economic empowerment. • The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible,

					<p>opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards.</p> <p>In order to mitigate against the political risk, the proposed activity entails a policy engagement to unify the definition of WSME in each country and mandating the collection of the SDD SME data by the banking regulator.</p> <ul style="list-style-type: none"> • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including UN Women, IFC, Alliance for Financial Inclusion (AFI), and Financial Alliance for Women (FAFW)) will reinforce the messages vis-à-vis the authorities about the importance of the
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					<p>reform/policy actions. As such, Bank Al-Maghrib joined AFI as principal member in July 2011. The central bank has pledged 27 Maya Declaration targets, including the development of gender-disaggregated indicators to better monitor and assess the financial inclusion gender gap. It also actively involved in all seven AFI working groups. In 2019, the Moroccan central bank co-hosted the Global Green Conference in Rabat, which to foster dialogue and cooperation on how financial policymakers and regulators can help resolve the effects of climate emergencies through inclusive green finance.</p> <ul style="list-style-type: none"> • Advocacy and awareness raising has been included as an important and substantial activity under the Programme, to play a role in raising the profile of the Code.
Fiduciary Risks					

<p>The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or activity participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.</p>	Unlikely	Substantial	Medium	<p>EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<ul style="list-style-type: none"> • Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds. • The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification. • Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.
Environment and Social Safeguards/Standards					

<p>Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment.</p> <p>The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.</p>	Unlikely	Medium	Low	<p>The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will be required to adhere to the EBRD's E&S requirements, including in the areas of health, safety, social, labor and environment.</p>	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.
Other Risks					
<p>Please identify any other risks associated with your activity.</p>	Unlikely	High	High	<p>Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting SDD SME data and observing data privacy rights in the process thereof.</p>	<ul style="list-style-type: none"> • The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs.

					<ul style="list-style-type: none">• The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.
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