

Women Entrepreneurs Finance Initiative (We-Fi)

THEMATIC FUNDING REQUEST

ON A PROPOSED FINANCING

IN THE AMOUNT OF \$2,877,291

TO THE

WORLD BANK

FOR

We-Fi's 5th Call for Proposals - WE Finance Code pilot

Increase financing to women-led micro, small and medium enterprises

COUNTRIES: Madagascar, Mozambique, Rwanda, Somalia, South Sudan

WE-FI THEMATIC REQUEST – DATA SHEET

BASIC INFORMATION

IP Name	<i>World Bank- Accelerated Gender-Lens Financing</i>
Program/Project Name:	Increase financing to women-led micro, small and medium enterprises
Country(s)	Madagascar, Mozambique, Rwanda, Somalia, South Sudan
# of partners engaged through the Pilot	<i>80 partners including the Central Banks of the five countries. Working with at least 5 banks, 5 insurance companies and 5 microfinance institutions. At least 80 partners.</i>
Private Sector, Public Sector or Both	<i>Both</i>
Implementation Start Date	<i>September 10 2023</i>
Commitment End Date	<i>December 30th, 2024</i>
Supervision End Date	<i>June 30th 2025</i>
IP Focal Point Contact (name, email, phone)	<i>Sonia Plaza, splaza@worldbank.org</i>
Key Staff Contacts (e.g., Project Lead, M&E Officer, Comms Officer)	<i>Sonia Plaza, Project Lead, Yehia Eldozdar, M&E Officer Ludivine Gendre, Communications Officer</i>

WE-FI FUNDING REQUEST*

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	1,230,400	1,196,400	2,426,800
Grants to WSMEs			
Research & M&E	125,000	125,000	250,000
Administrative Fee (7%)	100,346	100,346	200,492
Total We-Fi Financing Requested	1,455,745	1,421,746	2,877,291

*: We are requesting flexibility of 10% in budget allocation by country and line item over the implementation period of the proposal.

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

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	2'877,291
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)	2'877,291
Of which % IDA and % FCS (IDA+FCS / G)	IDA: 38% FCS: 62% TOTAL 100%
Co-Funding ratio (F/A)	

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.

WE-FI FUNDING REQUEST: South Sudan*

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	280,000	280,000	560,000
Grants to WSMEs			
Research & M&E	25,000	25,000	50,000
Administrative Fee (7%)	22,844	22,844	45,689
Total We-Fi Financing Requested	327,844	327,845	655,689

*: We are requesting flexibility of 10% in budget allocation by country and line item over the implementation period of the proposal.

TOTAL PROGRAM COST & CO-FUNDING^{4,5}:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	655,689
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] ⁶ (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total Activity Size (G)= (F+A)	655,689
Of which % IDA and % FCS (IDA+FCS / G)	100%
Co-Funding ratio (F/A)	

WE-FI FUNDING REQUEST: Somalia *

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	143,000	143,000	286,000
Grants to WSMEs			
Research & M&E	25,000	25,000	50,000
Administrative Fee (7%)	12,583	12,583	25,166
Total We-Fi Financing Requested	180,583	180,583	361,166

*: We are requesting flexibility of 10% in budget allocation by country and line item over the implementation period of the proposal.

TOTAL PROGRAM COST & CO-FUNDING^{7,8}:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	361,166
IP Contribution [1] (B)	

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⁸ See Annex 1 for definitions and guidance on this table

Public-sector co-funding [2]	(C)	
Private sector co-funding [3]	(D)	
Additional co-funding [specify] ⁹	(E)	
Total Non-We-Fi Funding	(F)= (B+C+D+E)	
Total Activity Size	(G)= (F+A)	361,166
Of which % IDA and % FCS	(IDA+FCS / G)	100%
Co-Funding ratio	(F/A)	

WE-FI FUNDING REQUEST: Madagascar *

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	174,000	174,000	348,000
Grants to WSMEs			
Research & M&E	25,000	25,000	50,000
Administrative Fee (7%)	14,905	14,905	29,810
Total We-Fi Financing Requested	213,905	213,905	427,810

*: We are requesting flexibility of 10% in budget allocation by country and line item over the implementation period of the proposal.

TOTAL PROGRAM COST & CO-FUNDING^{10,11}:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	427,810
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] ¹² (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total Activity Size (G)= (F+A)	427,810
Of which % IDA and % FCS (IDA+FCS / G)	100%
Co-Funding ratio (F/A)	

WE-FI FUNDING REQUEST: Mozambique *

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	333,400	333,400	666,800
Grants to WSMEs			
Research & M&E	25,000	25,000	50,000
Administrative Fee (7%)	26,844	26,844	53,688

⁹ Inter alia, parallel funding arrangements should be captured here.

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¹² Inter alia, parallel funding arrangements should be captured here.

Total We-Fi Financing Requested	385,244	385,244	770,488
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**: We are requesting flexibility of 10% in budget allocation by country and line item over the implementation period of the proposal.*

TOTAL PROGRAM COST & CO-FUNDING^{13,14}:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	770,488
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] ¹⁵ (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total Activity Size (G)= (F+A)	770,488
Of which % IDA and % FCS (IDA+FCS / G)	100%
Co-Funding ratio (F/A)	

WE-FI FUNDING REQUEST: RWANDA*

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	300,000	266,000	566,000
Grants to WSMEs			
Research & M&E	25,000	25,000	50,000
Administrative Fee (7%)	23,169	23,169	46,138
Total We-Fi Financing Requested	348,169	314,169	662,138

**: We are requesting flexibility of 10% in budget allocation by country and line item over the implementation period of the proposal.*

TOTAL PROGRAM COST & CO-FUNDING^{16,17}:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	662,138
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] ¹⁸ (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total Activity Size (G)= (F+A)	662,138
Of which % IDA and % FCS (IDA+FCS / G)	100%
Co-Funding ratio (F/A)	

¹³This document utilizes the term 'co-funding' in lieu of the term "leverage" as used in We-Fi's Governance Framework.

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¹⁵ *Inter alia*, parallel funding arrangements should be captured here.

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Increase financing to women-led micro, small and medium enterprises

WE-FI FUNDING PROPOSAL

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

A. Objective Statement:

This proposal aims to: i) improve the collection, analysis and use of supply-side data on the level and quality of funding to women-led MSMEs; ii) improve sex-disaggregated data and addressing financing constraints; and (iii) catalyze new financial and non-financial mechanisms to meet the needs of WSME in five countries including Madagascar, Mozambique, Rwanda, Somalia and South Sudan. Those objectives align with the WE Finance Code to accelerate gender-lens financing for women entrepreneurs. The WE Finance Code aims to leverage data for action to expand finance for women-led MSMEs.

The expected outcomes include:

The Central Banks of the five countries (Madagascar, Mozambique, Somalia, South Sudan and Rwanda) will: i) have in place a solid M&E framework that is collecting sex-disaggregated data to assess women's access to a broad suite of financial services; (ii) At least [3] new financial products for women entrepreneurs/W-MSMEs will have been piloted and scaled up (at least Madagascar, Mozambique and Rwanda). Central Banks and Banks from these countries will participate in the Code. In the five countries, working with the financial institutions and the Central Banks, improving collection of data and catalyze new financial mechanisms for MSMEs will facilitate to form a coalition of Code Partners.

For the five countries, the CODE will be promoted through convening events, exchanges of experience and workshops to discuss data definition, compilation and reporting capabilities. In order to implement the CODE, knowledge sharing, technical assistance will be provided by the World Bank as it has been done for other areas that need data enhancement. Given the relationship with the Central Banks and as their role, Central Banks will coordinate the implementation of the CODE. Given the key role of the WB working with the Central Banks and the financial institutions in these countries, facilitating and convening the financial sector (public and private) and the Central Bank to work on the CODE will be very important.

FCV countries (Somalia and South Sudan)

It is expected that during the first year, the Bank of South Sudan (BoSS) will have a strategy for gender disaggregated data collection while the Central Bank of Somalia (CBS) will have a roadmap for gender disaggregated data collection at the Federal Government of Somalia and the Federal Member States. By the second and third-year, CBS and BoSS will issue new guidelines to regulated financial institutions on gender disaggregated data

collection and will start analyzing and publishing data. In addition, CBS will expand financial products for association of women pastoralists, producers of milk through the financial package and de-risking products (livestock value chain fund) offered by the HOA DRIVE project. In Somalia, an informal coalition between the Central Bank and Financial institutions are already operating to collect different sets of data. This mechanism could be extended to facilitate data collection.

Madagascar and Mozambique. The expected outcome during the first and second year will be the piloting of one financial product: a new window of the PPCG Fund for W-MSMEs, affordable mobile saving accounts or any other financial product in Madagascar and Mozambique. In Madagascar, the project will build partnership with SOLIDIS, the Fund Manager of the Partial Portfolio Credit Guarantee to create the new window for the PPCG. In Mozambique, the project will leverage the credit guarantee scheme, line of credit, and matched savings program under the Mais Oportunidades project (P178658).

Rwanda. By the first two years, the activities will aim to increase financial services provision to WSMEs by designing and delivering an intervention that helps smaller firms make productive use of formal financial services. During the fourth-year, a digital credit platform will be adopted and implemented by two PFIs; necessary processes and capacity established at both PFIs; loans issued to 1,000 WSMEs.

B. Program Design and Key Activities

FCV countries (Somalia and South Sudan): Given the fragile countries context, and the limited availability of WSME data, it is important to start with the basics. We-Fi resources will allow Central Bank of Somalia (CBS) and Bank of South Sudan (BoSS) to add a 'gender lens' to its financial sector development strategy; and provide non-financial incentives (training and capacity building) to help the regulator and the financial industry to collect, analyze and articulate the banking opportunity for WSMEs. In these countries, the CODE will be promoted during the meetings with the Central Banks and the financial institutions. After participation in the meetings, discussion will take place to undertake actions related to the Code and how the financial institutions can participate and commit on the Code.

During the first year, the project will work with both BoSS and CBS to address the gaps in gender-disaggregated financial inclusion data, in line with the one of the goals of the We-Fi Code, which is to improve the collection, analysis and use of supply-side data on the level and quality of funding to women-led MSMEs. The project will develop a strategy for gender disaggregated data collection, including a road map for gender disaggregated data collection at the Federal Government of Somalia and the Federal Member States and in South Sudan. The funds will support the collection of disaggregated data by regulated financial institutions, including microfinance institutions and insurance companies.

A key activity will be to work with CBS and BoSS in developing methodologies to support the integration of gender in their framework for collection of data, analysis, and impact

assessment of WSME lending. In parallel, the project will also seek to provide gender-themed training and capacity building sessions on the data points and collection methodologies targeting government and financial sector institutions – with the objective of enhancing product range and outreach strategies to increase their WSME client base. In Somalia, the team will continue its collaboration with CBS (via the HOA DRIVE Project) that it is already being trained in data collection from insurance companies and will initiate similar support with BoSS. The collection of data will provide an opportunity to the banks, microfinance institutions and insurance companies to develop new products tailored to women and pilot them.

In Somalia, the funds will also support bringing financial products closer to women – setting up stalls in local markets, as well as training women agents to offer different financial services. This approach has been proven to increase women's access to finance as businesswomen can drop in when they are less busy to receive credit information and available financial services. For example, in a recent HOA project, women agents were able to sell more insurance products through this method. The female staff who conduct the outreach programs are also creating a safe space for women to feel confident to seek and share information on financial products.

By the second year, it is expected that both CBS and BoSS will issue new guidelines to regulated financial institutions on gender disaggregated data collection. The We-Fi funds will provide technical support and training to financial system players in Somalia and South Sudan to strengthen their standards, protocols, and capacities for data collection of sex-disaggregated lending data.

Madagascar and Mozambique: The proposed activities aim to increase financing to women-led micro, small and medium enterprises. Working with the Central Banks and financial institutions, the Code could serve as platform to learn lessons on products to expand finance for women-led MSMEs. In both countries, the We-Fi will support the testing of financial products for women and providing capacity building to MFIs and Banks. Madagascar will pilot one financial product including a new window of the PPCG Fund for W-MSMEs, affordable mobile saving accounts and start supporting the digitization of microfinance institutions (MFIs) and their participation in the payment switch during the first year of implementation while Mozambique will focus on providing technical assistance to the bankers' association and financial institutions to leverage the data to design and launch a financing product targeted to WSMEs. During the second year, Madagascar will provide capacity building to MFIs to digitalize their processes to tailor W-MSMEs and connect to the payment switch. To this end, the project will conduct a close and permanent dialogue with the Central Bank, banks, MFI association and SOLIDIS. Mozambique is expected to work with at least one financial institution to leverage the data to design and launch a financing product targeted to supporting WSMEs.

Rwanda: During the first two years, the project will work to test new financial products for MSMEs such as the digital credit product with no or limited collateral requirements. The product will be co-created with the Rwanda Development Bank (BRD) and draw on recent Africa Gender Innovation Lab work on alternative data-based approaches to WSME lending such as psychometric credit scoring, cashflow-based lending, and SME transaction tracking. By the fourth-year, it is expected that a digital credit platform is being implemented by two PFS, the necessary processes and capacity established at both PFIs and loans issued to 1,000 WSMEs.

- C. Country Readiness:** The rationale for selecting the following pilot countries is based on the current engagement and level of dialogue with the Central Banks, and financial institutions in: Madagascar, Mozambique, Somalia, South Sudan, and Rwanda. Some of the initiatives already undergoing in these countries include:

Madagascar: 2018-22 National Financial Inclusion Strategy (NFIS). The Financial Inclusion Project of Madagascar that closed in December 2022 (P161491) achieved encouraging results on improving digital financial access for women. This proposal will support the implementation of various ongoing and future engagements: At the strategic level, the collaboration between the WB and Madagascar to put gender at the forefront of the policy dialogue through the “Girls Learn, Women Earn” initiative. The Economic Transformation for Inclusive Growth Project (IPF-P174684- US\$ 150 million) supports personal initiative training, leadership training and gender-oriented acceleration program for digital women entrepreneurs. This proposal will support the implementation by enabling better access to tailored financial services for W-MSMEs. As per the Country Partnership Framework (CPF), potential design of a new lending operation on green finance and digital financial services. This proposal operationalizes the strong focus of the CPF on women economic empowerment. The project team has capitalized on a positive and permanent dialogue with the National Financial Inclusion Coordination under the Ministry of Finance, jointly with the Central Bank which are the main counterparts on NFIS.

Mozambique: This proposal aims to pilot interventions that can be scaled up, to leverage downstream financing of US\$1b in the Mozambique portfolio. Building on We-Fi phase 1 and complementing the newly-approved Mais Oportunidades project, this program will address major barriers to access to finance and improve business capacity for better access to market opportunities. The program will leverage the partial credit guarantee (\$120m), line of credit (\$80m) and matched savings program (\$15m) targeting women entrepreneurs under Mais Oportunidades and the IFC secured transactions and asset-based lending project to catalyze access to finance and strengthen the technical capacity of financial institutions to better serve WSMEs. It will also leverage support to WSMEs, and in particular Small-Scale Cross-Border Traders (SSCBT) under the SATCP (\$1m), which will aim at enhancing their financial skills and capacity to access adequate financial services.

Rwanda: The Central Bank and the AFIRR project of the WB continue supporting women-inclusive firms through targeted awareness raising campaigns and by providing BDS and TA to increase their uptake of programs. AFIRR has activities that specifically target women in the provision of TA with the objective of increasing the chances for women to access finance through PFIs. The improved PCG scheme with increased capital is expected to help affected women-led SMEs to access credit. The country is ready to pilot innovative approaches to provide access to credit W-SMEs.

Somalia. The WB through the HOA Drive project is working with the Central Bank of Somalia and several banks and financial institutions to deliver a package of financial services to pastoralists including women. Learning from this experience on having a high record of women pastoralists accessing these packages based on the awareness creation and on the design of products to be easily understood and ensure the inclusion of women to address some of the gender gaps. Digital devices will be used to deliver financial literacy programs. The HOA DRIVE project already uses an indicator, disaggregated by gender will capture the awareness creation of pastoralists on the financial products offered. The We-Fi will fund further collection of disaggregated data on the implementation of DRIVE not only for the awareness creation but on new products acquire including loans and participation in the Livestock Value Chain Fund. The objective is to ensure that the financial products, savings, and insurance products are meeting the needs of women SMEs, and the service providers are incentivized to deliver.

South Sudan. The 3SF Project (Strengthening South Sudan's Financial Sector) is currently under preparation and will be implemented through BoSS. To build the foundation for gender inclusive growth, the project will apply a gender lens to all its activities, particularly in articulating a financial sector development strategy that aims to foster private sector-led growth. This gender focus is fully aligned with both the Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS) and the Revised National Development Strategy (R-NDS) 2021- 2024, which underscore the importance of gender equality in the country. One of the core objectives of the R-NDS is to mainstream gender in all development policies and programs and empower women and youth as drivers of growth and nation building. In addition, improving financial inclusion is a priority of BoSS, as detailed in their 2023-27 strategic plan, which will require a substantive and sustained focus on women's economic empowerment. Women remain unbanked and underserved in the South Sudan financial sector and there is a lack of sufficient gender-disaggregated financial data to provide the evidence base for accelerating progress in women's financial inclusion – which is a pathway to economic empowerment. The availability of gender disaggregated data could also be useful for the *Women's Social and Economic Empowerment Project (WSEEP)* (led by the Ministry for Gender, Child and Social Welfare (MGCSW), in partnership with the World Bank and UN Women), which aims to provide technical assistance and grants to women-led small, and growing businesses via a Women's Entrepreneurial Opportunity Facility (WEOF).

D. Stakeholders & Key Partner Readiness

Madagascar: The project will engage with the Central Bank, the National Financial Inclusion Coordination under the Ministry of Finance which play key leading roles in piloting the National Financial Inclusion Strategy, a strong and permanent dialogue is maintained with the Banking Association and Micro finance Association and the financial institutions. SOLIDIS, the Fund manager of the Partial Portfolio Guarantee has worked with World Bank financed Project since 2014 and finally a close partnership with the Women Entrepreneurs Association has been maintained by the World Bank team within the dialogue with the Private Sector Framework. The activities will complement the work on (a) financial infrastructure supported by IFC FIG Advisory, (b) the financial education campaign supported by the Alliance for Financial Inclusion in Madagascar, (c) the Madagascar microproject gender profile, (d) the integrated gender capacity building for men-women equality supported by the French Development Agency AFD, and on (e) and the USAID-supported Madagascar gender analysis for 2020-2025.

Rwanda: The project will work towards transformational impact by leveraging two (sets of) strategic partners. Regulators, Bank of Rwanda Development and PFIs that will provide the capital, experience, and market presence to serve project beneficiaries. They also have the required balance sheet to further expand lending if the results of the pilot encourage greater investment. The Access to Finance for Recovery and Resilience Project (AFIRR) has activities that specifically target women in the provision of TA with the objective of increasing the chances for women to access finance through PFIs. The improved PCG scheme with increased capital is expected to help affected women-led SMEs to access credit in the short run, especially through the investment subcomponent. The BDS support also targets outreach to women-inclusive businesses to enhance their bankability and eligibility to meet the project criteria and the various financial products available for them.

Somalia: The project will continue its engagement with the Central Bank, Gargaara and the banks and microfinance associations. The team already has a strong working relationship on the financial and business side given ongoing WBG engagements through the SCALE-UP and HOA DRIVE Project.

Mozambique. The World Bank is financing several ongoing (PLED, EDGE, HDD, Mais Oportunidades, SATCP, FISP), and pipeline (EAGER) operations addressing a high demand by the client, the Government of Mozambique (GoM), for activities that can improve competitiveness, performance, inclusion, and sustainability of WSMEs. This proposal aims to pilot innovative approaches and solutions that, once successful, can be scaled up to leverage downstream financing of US\$1b. During the previous rounds of We-Fi funding, the team engaged and successfully partnered with a large number of private sector partners, including leading financial institutions (BCI, Mozabank, Standard Bank), consulting firms (FSD Moc), and training organizations (Muva, ideialab).

South Sudan. BoSS will lead the implementation of this proposal and will closely coordinate with the other development partners, government agencies, and financial

institutions working on female entrepreneurship financing support via a Financial Sector Coordination Group that is being established as part of the IPF project and will seek to leverage complementarities where they exist (including with any existing coordination structures for gender related issues). Eventually, there will be full coordination with the Gender and Finance forum, once established as part of the activities of the WSEEP project.

E. Indicate the expected role of each stakeholder

Madagascar: The Central Bank of Madagascar (BFM) and CNFI (National Coordination for Financial Inclusion) are the key champion of financial Inclusion strategy in Madagascar. The Central Bank has requested support to mainstream gender disaggregated data within the financial infrastructure to monitor women's access to credit. The CNFI of the Minister of Finance requested support to collect data to prepare the next National Financial Inclusion Strategy (NFIS). SOLIDIS, the Fund manager will be the key partner institution in setting –up the specific window on women entrepreneurship within the PPCG, and will liaise the dialogue with banks, MFI and participating and financial institutions.

Mozambique: The Central Bank has been consulted on mainstreaming gender indicators through the (a) financial infrastructure (credit bureau, public credit registry, partial credit guarantee) to monitor WMSME's access to credit; as well as (b) in the updated NFIS to monitor women's access to a broad range of financial services. This component builds on existing IFC financial infrastructure TA supported project.

Rwanda: The proposed activities and targets were defined jointly with the client. The team conducted a review of gender-based constraints in SME financing with inputs from BRD, BDF, and the Ministry of Finance and Economic Planning (MINECOFIN). The results, as well as client experience during the first year of the ACCESS TO FINANCE FOR RECOVERY AND RESILIENCE PROJECT (AFIRR) implementation, informed the component design and implementation arrangements. Business development Fund (BDF), a wholly owned subsidiary of the Development Bank of Rwanda (BRD) prioritized the need to increase the number of financially literate female loan applicants. BRD emphasized the importance of collateral constraints and will lead the implementation of the alternative data-based lending pilot.

Somalia: The Central Bank of Somalia and the banking association including microfinance institutions will be key implementors of the project. The CBS has been working in developing data collection for banks, insurance companies and registration of new digital accounts for women. Based on the experience with the banking sector and microfinance associations participating in the drought-index insurance scheme and the livestock value chain fund targeted to women, collection of data and lessons from piloting these products, the project will continue working with the partners institutions including:

South Sudan: The Bank of South Sudan (BoSS) will be the key implementer of the project, given that establishing inclusive financial systems is an important element of its strategic plan. BoSS will also be implementing the 3SF financial sector strengthening project within which the development of a financial sector strategy for the country will present an

opportunity for the central bank to anchor and adopt gender inclusive policies and approaches in supporting financial sector development and include well-defined gender-sensitive key performance indicators in the monitoring & evaluation framework.

F. IP Readiness/Track Record

The World Bank has significant experience on research and collecting data on gender, economic indicators and access to financial services as well as designing and implementing financial protection solutions, financial inclusion and SMEs. Since 2011, the Global Findex Database has been the definitive source of data on global access to financial services from payments to savings and borrowing disaggregated by gender. Through funding and expertise, the World Bank has developed tailored financial solutions that increase the ability of national and local governments, SMEs businesses, women agricultural producers to be able to access to financial products

The World Bank coordinates statistical and data work and maintains a number of macro, financial and sector databases. Working closely with the Bank's regions and Global Practices, teams are guided by professional standards in the collection, compilation and dissemination of data to ensure that all data users can have confidence in the quality and integrity of the data produced. The World Bank works to help developing countries improve the capacity, efficiency and effectiveness of national statistical systems including data on the financial sector. Our main counterparts are the Ministry of Finance and Central Banks. We collaborate daily with the Central Banks and financial institutions to devise financial products. Without better and more comprehensive national data, it is impossible to develop effective policies, monitor the implementation of poverty reduction strategies, or monitor progress towards global goals.

The World Bank Group plays a critical role in advancing financial inclusion in the world since it can leverage its financial sector expertise, country engagement and dialogue, financing and risk-sharing instruments, unique datasets and research capacity, and influence with standard-setting bodies and the G20.

We have developed an integrated and unified approach in our work to help countries achieve financial access and responsible financial inclusion. In Madagascar, Mozambique, Somalia, South Sudan and Rwanda, the WB has already established a partnership with the Central Banks and providing technical assistance including women and finance (developing tools to address the issue of women and financial inclusion).

Somalia: IP Central Bank. Ready and already implemented work on data and capacity building

South Sudan: IP Central Bank. Supporting strengthening of the financial sector and related TA

Rwanda: IP Central Bank. Already working in developing financial products for WSMEs

Madagascar: IP Central Bank. Working on TA to Central Bank of Madagascar. The central Bank

Mozambique: IP Central Bank. Supporting financial inclusion strategy and implementing projects.

II. IMPACT AND LEARNING (1-3 pages)

A. Sustainable Beneficiary Impact:

Target beneficiaries are credit-constrained female SME owners in urban and semi-urban districts across the different countries. Female-led firms are particularly concentrated in retail trade as well as the service sector, but special attention will be given to WSMEs that seek to cross over or expand into male-dominated sectors. The project focuses on firms with more than 5 employees which are growth-oriented, rather than on necessity-driven microentrepreneurs.

The proposed project activities have been designed to generate impacts beyond the core financing provided by We-Fi. For example, in Rwanda, funding will leverage liquidity and guarantee facilities under the AFIRR project. Additional private capital will be mobilized under the AFIRR additional financing, which includes the BRD's first issuance of a sustainability-linked bond. Potential for additional capital mobilization and future sustainability will be key criteria for the selection of PFIs.

B. Results Framework:

The WB We-Fi will be using the country level results frameworks as the main tool to monitor, evaluate and learn the developmental impact of each country engagement. Aligned with the objective and TOC of the CODE, and once countries are approved for the funding, a thorough revision and a finalized project proposal along with a revised and final RF will be submitted in the system a per WB operational guidelines.

The results framework will ensure comprehensive measurement of all project activities, outputs, outcomes that are aligned with the CODE level objectives and the theory of change. Using the standard WE-FI indicators, projects should be able to measure the partnerships established with CODE stakeholders, the changes they introduced as a result of their collective agreement and partnership and the outcome resulting from those changes both at the additional finance provision level and the funding mobilized across the different sources (WB operations and/or contributions from other stakeholders on the ground). The projects will also use some custom qualitative indicators to measure the level of involvement, contribution and satisfaction across all stakeholders including beneficiary WSMEs. Projects will also consider additional custom indicators that could measure the indirect effect of CODE adoption and its spillover beyond the project intervention.

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

- Establishing of annual and overall targets and baselines for We-Fi standard and custom indicators as part of the project approval process for implementation (project concept note stage – following World Bank operational guidelines).
- A mid-term review report and mid-year progress data collection – World Bank teams collect data and report on progress semi-annually and share lessons learnt and challenges with management and other teams to enhance the future performance.
- Annual progress report based on annual data collection (audited data) to report performance against targets. The annual report and data are submitted to the Secretariat.

C. Learning Agenda:

The project will use management data from the PFIs and fintech as well as a beneficiary survey (possibly complemented by focus group discussions) to capture insights about the pilots' ability to address gender-based constraints in access to finance. Results will be published in the form of a case study or policy briefs, shared with clients in workshops and disseminated with development partners and policymakers. The teams will explore future opportunities for a rigorous impact evaluation of one or both of the interventions, using randomized controlled trial or quasi-experimental methods (e.g., regression discontinuity, propensity score matching).

Knowledge exchange among the different countries will take place through webinars and exchange of experiences

III. KEY RISKS AND MITIGATION MEASURES

The political and governance risks are high in Somalia and South Sudan. Project mitigation measures include working the PIUs that the World Bank is already working at a central Government agency (MOF). For example, in the case of Somalia at the MOF and with the Central Bank that will assume responsibility for implementing the project as a whole and help address potential governance issues.

Despite high political risks in some of the countries, the support of this grant is more needed.

Fiduciary risks are substantial since in FCV countries are concerns regarding integrity issues. Fiduciary responsibility will be closely monitored. The proposed entities that the five countries are going to work are familiar with Bank processes as well as procurements. For more details see attachment.

IV. Attachments

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

Attachment 3: Risk Framework



We-Fi Risk
Framework.docx