The Women Entrepreneurs Finance Code (WE Finance Code)

What is the WE Finance Code?

- The Women Entrepreneurs Finance Code (the WE Finance Code or, simply, the Code) is a commitment by FSPs, regulators, development banks, and other financial ecosystem players to work together to increase funding provided to women-led enterprises (WMSMEs) around the world, so that they can grow and add value to the economy and their communities.

- Organizations that participate in the Code commit to:
  - Designate a member of their senior management team to champion the organizations’ efforts to support women-led businesses
  - Expand and introduce new measures that will support women entrepreneurs
  - Monitor & report annually a commonly agreed set of indicators on the level of financing provided to women-led businesses

- The WE Finance Code is built on a global framework that can be adapted to local contexts. This allows for country ownership and gives countries flexibility in how they adopt and implement the Code for their local financial sector ecosystem. At the same time, organizations outside of these countries can participate through a global mechanism.

- All countries are encouraged to bring a range of FSPs on board and create incentives for collaboration and change across the domestic financial system. Regulatory bodies, industry associations, investors, technical service providers, financial infrastructure providers and donors, and other organizations in the national ecosystem are also encouraged to commit to the Code and contribute their domain expertise to improving data and analytics, products and services, and policy solutions that will ultimately increase finance for WMSMEs.

- The Code was developed collaboratively with finance leaders from over 30 private and public sector organizations. It draws on lessons from the UK Investing in Women Code and builds on efforts to close finance and data gaps affecting women entrepreneurs.

- We-Fi has allocated funding to its Implementing Partners (IPs) to pilot the WE Finance Code and will foster peer learning and coordination together with partners like the Financial Alliance for Women and OECD. We-Fi’s IPs include the African Development Bank (AfDB), the Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IDB) and IDB Invest, Islamic Development Bank (IsDB), and the World Bank Group (World Bank and IFC). A high-level Advisory Group will provide advice and guidance on the implementation of the Code.

Why is the Code needed?

- WMSMEs around the world have vast potential to grow, add value to the economy, and create jobs, but they must overcome a $1.7 trillion financing gap to achieve their goals and potential.

- Over half of working women in developing countries view entrepreneurship as a path to economic empowerment, but they face significant, systemic barriers. WMSMEs must grapple with policies, institutional biases, and social norms and less access to markets, networks, technologies, and skills than male entrepreneurs. System change is needed to address them.
Despite significant challenges, We-Fi’s research suggests that if barriers were eliminated and women were empowered to create and grow businesses at the same rate as men, $5-6 trillion in potential value addition could be generated around the world.

Organizations endorse and participate in the Code because:

- **[For FSPs]** The Code allows them to signal their commitment to support women entrepreneurs and women-led businesses. Joining the global network of Code participants can create opportunities for them to grow their impact by leveraging others in the financial ecosystem. The Code can foster learning and innovation across the ecosystem to better meet the needs of women entrepreneurs. Further, the Code offers an opportunity to lead by example – to better track and make use of sex-disaggregated data, and to motivate their teams to become champions and advocates for women entrepreneurs and WMSMEs.

- **[For regulators and policy makers]** The Code can allow them to catalyze action by financial service providers – to increase financial inclusion of WMSMEs. It is also a mechanism that helps drive the tracking and use of data in policymaking. The Code offers a platform for to engage with the broader ecosystem – a network that provides reinforcing incentives to support WMSMEs.

- **[For ecosystem players]** The Code allows other participants across the financial sector ecosystem to maximize the impact of their work (investments, research, advocacy, etc.) through increased coordination and alignment with efforts from other stakeholders in the financial sector, such as financial service providers, regulators and policymakers. The Code helps generate more knowledge and greater impact through mutual-learning, research, and policy dialogues.

What is required to join the Code?

- Financial Service Providers and financial sector ecosystem partners become signatories of the Code by committing to: 1) designate a senior leader to champion the organization’s efforts to support women-led businesses 2) expand and introduce measures that will support women entrepreneurs and 3) work to expand the availability and use of supply-side data on the level of financing provided to women-led firms, including a commonly agreed set of indicators. Each institution will also agree to make this commitment public and report on these commitments annually for inclusion in the Global WE Finance Code annual reports.

Where will the Code be piloted?

- The Code is a flexible framework that any country may launch adapting the global framework to their local context. Institutions outside of pilot countries may be able to participate in the Code, through associated institutions, such as Financial Alliance for Women.

- We-Fi Implementing Partners will support 24 countries to pilot the WE Finance Code, working in their regions of focus. The first countries selected for national pilots include: Albania, Bosnia and Herzegovina, Cote d’Ivoire, Dominican Republic, Egypt, Fiji, Indonesia, Kazakhstan, Kosovo, Kyrgyz Republic, Madagascar, Mongolia, Montenegro, Mozambique, Morocco, Nigeria, North Macedonia, Rwanda, Senegal, Serbia, Somalia, Sri Lanka, and Tajikistan

What is We-Fi?

- The Women Entrepreneurs Finance Initiative (We-Fi) is a groundbreaking partnership that aims to unlock financing for women-led/owned businesses in developing countries. We-Fi’s partners include 14 donor governments, six multilateral development banks as implementing partners, and numerous other stakeholders in the public and private sector around the world. Within five years
of its launch in 2017, We-Fi has allocated $354 million to programs and catalyzed an additional $3.5 billion, achieving a leverage ratio of 1:10. To date, the We-Fi portfolio encompassed activities in over 60 countries working with over 200 partners.