



AFRICAN DEVELOPMENT BANK GROUP  
GROUPE DE LA BANQUE AFRICAINE  
DE DEVELOPPEMENT

**we-fi**  
WOMEN ENTREPRENEURS  
FINANCE INITIATIVE

African Development Bank

# We-Fi Annual Progress Report **2024**



## I. EXECUTIVE SUMMARY

### Affirmative Finance Action for Women in Africa

The African Development Bank Group's (the Bank) Affirmative Finance Action for Women in Africa (AFAWA) initiative, in partnership with the Women Entrepreneurs Finance Initiative (We-Fi), aims to improve access to finance for women-owned and led small and medium enterprises (WSMEs) across Africa. AFAWA leverages innovative financial instruments and strategic programs designed to tackle the institutional barriers that limit access to finance for women entrepreneurs.

AFAWA's main goal is to transform Africa's financial architecture, emphasizing the critical role of women in driving the transformation of African economies. By employing a holistic approach, the initiative offers a comprehensive range of services, including specialized financial instruments such as women-focused risk-sharing facilities, capacity-building programs for financial institutions and WSMEs, and initiatives aimed at transforming the business-enabling environment. This multi-pronged strategy reflects AFAWA's commitment to addressing both the supply and demand sides of financing for women-owned businesses.

This report outlines the progress, and transformative strides made from July 1, 2023 to June 30, 2024. It highlights the annual achievements and provides implementation updates on projects, programs, and activities funded by We-Fi. Several lessons were consolidated, and significant achievements were made throughout the year. Some of the key highlights include:

#### **Scaling up access to finance**

The Bank has significantly increased its financing for WSMEs, driven by three key factors: a growing pipeline of projects focused on WSME financing, resources allocated to deploy tailored technical assistance, and strategic partnerships with financial institutions across Africa. As of June 2024, We-Fi has committed \$14 million<sup>1</sup> across 11 projects, which are expected to empower over 12,000 WSMEs (including 330 cooperatives) and provide access to finance for 7,000 women-led enterprises thus impacting over 19,000 WSMEs by 2028. As of June 30, 2024, more than 6,400 women entrepreneurs have benefited from the program through access to finance and technical assistance activities.

By leveraging the approved We-Fi resources of \$61.8 million, along with the Bank's private sector contributions and traditional financing instruments such as guarantees, equity, and lines of credit specifically for WSMEs, the initiative achieved a leverage ratio of 10. This brings the total project costs to \$263.6 million by the end of June 2024, moving us closer, at 60% of our target of \$432 million to be mobilized leveraging We-Fi resources.

In March, AFAWA presented an action and acceleration plan to present the African Development Bank's ability to effectively utilize the available resources and achieve its targets by 2028. This plan has further been revised in July to capture We-Fi Governing Council's recommendations. To expedite financing for the benefit of women SMEs, the team has developed innovative projects utilizing the access to finance

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<sup>1</sup> As of June 2024, the committed amount was \$14 million. By September 2024, this amount has increased following the signature of the Cap Emploi project under the access to finance pillar, raising the total committed amount to \$16.5 million. A disbursement letter for second replenishment will be submitted to the We-Fi Secretariat.

component. To this end, in the 2024-2026 action plan, AFAWA has identified priority projects that are in advanced stages of preparation and will be submitted to the Board of Directors by December 2024<sup>2</sup>.

### **Technical Assistance, capacity building and institutional engagement**

Technical assistance is central for the transformation of the financial architecture on the continent. We-Fi projects under AFAWA have prioritized tailored technical assistance that drive transformational change within financial and non-financial institutions to the benefit of women entrepreneurs. The launch of six technical assistance projects with FCMB, CRDB, CABS, ETG, BCI and NBS, totaling \$2.8 million, cover diverse sectors, including supply chains, digital services, agriculture, and access to finance in fragile contexts. This demonstrates the variety of projects leveraging We-Fi resources. The reporting period has seen progress, particularly with CRDB and FCMB providing financing to women-led businesses. Effective capacity building and technical assistance have been delivered through mentorship and knowledge-sharing platforms. Other projects, with CABS and ETG, have also successfully completed the inception phase to establish mechanisms and teams aimed at maximizing impact.

Technical assistance and institutional capacity-building efforts are critical in enabling financial institutions to better serve WSMEs, especially in sectors where women are under-represented. The African Development Bank's early-stage engagement with partners is proving essential for long-term success. Additionally, institutional buy-in is key to sustaining these changes, which may require incentive mechanisms to maintain commitment from partners.

### **Creating an enabling environment**

AFAWA has placed considerable emphasis on creating an enabling environment for women entrepreneurs by addressing policy and regulatory challenges. In West Africa, the \$4 million We-Fi project on affirmative procurement reform being implemented by UN Women, continues to make significant progress in strengthening both public and private sector policies to enhance WSME access to procurement opportunities in Senegal, Nigeria, Mali and Cote d'Ivoire. The project has delivered impressive results, exceeding its goals by training 2,000 women-owned small and medium enterprises in key areas like procurement processes, digital marketing, and financial management instead of the 1,360 initially targeted. Additionally, 670 WSMEs have successfully accessed new procurement opportunities. Furthermore, 215 government officials from public agencies in Senegal, Mali, and Nigeria have been trained on affirmative procurement reforms and procedures.

Efforts to create an enabling environment for WSMEs, particularly through affirmative procurement policies, have underscored the importance of engaging policymakers early in the process. Strategic partnerships are instrumental in advocating for reforms and scaling the impact of these initiatives. However, the success of these projects depends on sustained institutional and policy engagement, which must be continuously nurtured.

### **Innovation and direct impact through special projects**

Special projects under AFAWA have focused on piloting innovative approaches to address specific challenges faced by WSMEs. One standout example is the UN Women Staple Foods project, which established a tripartite exchange mechanism allowing cooperatives of women entrepreneurs to negotiate directly for credit access. This initiative has already provided financial training to 270 women cooperatives

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<sup>2</sup> These projects amount to \$25 million.

(21,300 women) and is directly linking women entrepreneurs with financial institutions enabling them to secure bank loans.

### **Key lessons**

During the reporting period, four key lessons were identified. First, We-Fi resources have been instrumental in enhancing the Bank's approach to financing the women's market, though there is still significant untapped potential. Second, these resources present an opportunity to develop more gender-transformative projects with lower risks and improved incentives. Third, forming strategic partnerships has been crucial for achieving scalable change and driving systemic transformation in the financial landscape for women entrepreneurs. Finally, to expand the pipeline of projects utilizing We-Fi resources, an increase in the AFAWA team dedicated to developing and monitoring project implementation is essential.

We-Fi resources are being utilized as a lever to initiate more gender-transformative projects with reduced risk and enhanced incentives in the African context. The knowledge-sharing sessions with We-Fi implementing partners have been instrumental in identifying innovative tools and approaches to better meet the needs of women. By improving collaboration with both financial and non-financial institutions—particularly through sovereign operations—AFAWA aim to expand their capacity to reach women customers. This includes utilizing performance-based incentives and risk-sharing facilities to enhance projects that will significantly benefit underserved women-led SMEs. With these innovative instruments, the initiative is laying the groundwork for more projects structured involving government bodies dealing with SMEs policies and on financial inclusion for the next reporting period. Engaging governments will amplify We-Fi's transformative impact on the continent's financial infrastructure and foster a deeper understanding of the women's market. This, in turn, is creating a more conducive business environment and have macroeconomic effects that promote financial inclusion and job creation.

By continuing to refine its approach, AFAWA remains well-positioned to drive meaningful change for women entrepreneurs across Africa, unlocking access to finance and fostering long-term economic empowerment.

### **Africa Digital Financial Inclusion**

The ADFI WSME program aims to enhance access to finance for women-owned businesses by leveraging data and technology. It is structured as a co-financed initiative, with ADFI providing \$2.5 million and We-Fi contributing \$15 million in technical assistance grant funding. This funding will help mobilize an additional \$105 million in lending to women-owned small and medium enterprises (WSMEs). The program targets providing credit to 8,000 WSMEs and training 11,000 WSMEs, utilizing data and technology. It will be implemented in Cameroon, Egypt, Kenya, Nigeria, and Mozambique.

For further review and discussion with the We-Fi Secretariat, ADFI's action and acceleration plan is attached to this report.

## II. PROGRAM DATASHEET

### Program Timeline

Round	Implementation Start Date	Commitment End Date	Supervision End Date	Country names <i>(with active projects)</i>
Round 2	January 2020	30 June 2026	30 June 2028	<b>Affirmative Finance Action for Women in Africa (AFAWA)</b> Côte d'Ivoire, Guinea, Mali, Mauritania, Malawi, Mozambique, Nigeria, Senegal, Tanzania, Zambia, Zimbabwe
Round 4	October 2023	December 2027	December 2028	<b>Africa Digital Financial Inclusion Facility (ADFI)</b> Cameroon, Egypt, Kenya, Nigeria and Mozambique

Partners	Round 2	Round 4
<b>Total number of partner institutions supported by We-Fi</b>	10	0
Out of which		
- Financial services intermediaries	6 <sup>3</sup>	
- PE/VC Funds	0	
- Accelerators, incubators	0	
- Corporations	0	
- Public sector	2 <sup>4</sup>	
- NGOs (local and international)	2 <sup>5</sup>	
- Other (specify)	0	

<sup>3</sup> Banque du Commerce et de l'Industrie (BCI) Group, Cooperative Rural Development Bank (CRDB), Export Trading Group (ETG), First City Monument Bank (FCMB), NSIA Bank, and NBS Bank

<sup>4</sup> Central Africa Building Society (CABS) and *Empresa Nacional de Hidrocarbonetos* (ENH – LinKar project)

<sup>5</sup> UN Women (2 projects) and *Femmes Africa Solidarité* (FAS)

## We-Fi Funding

	ROUND #2 (USD Amounts)			ROUND #4 (USD Amounts)		
	Approved*	Committed/Signed	Disbursed/Actual	Approved *	Committed/Signed	Disbursed/Actual
<b>Status of We-Fi Funding</b>						
We-Fi Financing (no fees) (A)	\$57,757,000 <sup>6</sup>	\$13,991,000	6,136,100 <sup>7</sup>	15,000,000		
Of which IDA		\$13,726,000 <sup>8</sup>				
Of which FCS**		\$990,000 <sup>9</sup>				

## Co-Funding

	ROUND #2 (USD Amounts)	ROUND #4 (USD Amounts)
IP Contribution (B)	104,125,000	
Public sector (C)		
Private sector (D)	40,000,000 <sup>10</sup>	
Other funds [specify] (E)		
<b>Total Co-Funding*** (F)= (B+C+D+E)</b>	144,125,000	
<b>Total Project Cost (no fees) (G)=(F+A)</b>	201,882,000	
<b>Fees (H)</b>	4,043,000	
<b>Total Project Cost (I)= (A+G+H)</b>	263,682,000	
Leverage (F/A)	10	

<sup>6</sup> Total amount approved including the AfDB management 7% fees is: \$61,800,000.

<sup>7</sup> Excluding the AfDB management fees equivalent to \$362,240 as of June 30, 2024.

<sup>8</sup> All project countries—Côte d'Ivoire, Guinea, Mali, Mauritania, Mozambique, Nigeria, Senegal, Tanzania, Zambia, and Zimbabwe—are IDA countries, with the exception of Malawi for the recently signed NBS project. Source: <https://ida.worldbank.org/en/about/borrowing-countries#4>

<sup>9</sup> This total includes stand-alone projects for Mali, Mozambique (\$500,000), Nigeria (FCMB: \$285,000), and Zimbabwe (CABS: \$205,000), all of which are classified as FCS (Fragile and Conflict-affected Situations). Additionally, some projects are multinational, such as the Zimbabwe project with ETG (\$1,400,000) and the Mali projects with BCI (\$485,000) and UN Women Affirmative Procurement (\$4,000,000).

<sup>10</sup> CRDB project which aims to increase its lending to WSMEs from \$6 million to \$60 million, with a \$10 million line of credit from the African Development Bank. The total contribution from CRDB is estimated at \$44 million.

### III. IMPLEMENTATION PROGRESS

#### A. KEY ACTIVITIES DURING THE REPORTING PERIOD

##### **Pillar 1: Access to Finance**

*This first section covers the access to finance component, which aims to enhance financing options for WSMEs by implementing innovative financial instruments that de-risk the WSME portfolios of banks, SME impact funds, and financial institutions that invest in Tier 2 and Tier 3 banks, as well as microfinance institutions focused on WSMEs. The total budget for this component is \$30 million.*

##### **Gender-Responsive Financial Products and Services with NSIA Bank in Cote d'Ivoire (\$4 900 000)<sup>11</sup>**

Aligned with NSIA Bank's strategic plan, the project seeks to increase the proportion of SMEs within its portfolio to 15%, specifically targeting women-owned businesses. To effectively support SMEs and realize this ambitious target, NSIA is enhancing its collaboration with development finance institutions.

The African Development Bank is collaborating with NSIA Bank through a financing facility for €50 million. The project consists of (i) a €25 million subordinated loan, (ii) a portfolio guarantee envelope of €15 million to cover 50% of the risk of a credit portfolio for women's SMEs, of which €4,5 million comes from We-Fi, and (iii) a €10 million trade finance line for the benefit of WSMEs.

The annual supervision mission of the African Development Bank scheduled early November 2024 will meet all relevant officials of NSIA Bank as well as the end beneficiaries while obtaining all required information and data necessary for the preparation of all reports including the key results achieved so far on the financing facility.

Specifically, the mission will: (i) take stock of the implementation process to date i.e., the key milestones, insights, lessons and challenges; (ii) keep track of project objectives and ensure strategic alignment with key performance indicators; (iii) assess and review the gender impact of the financial vehicles provided to NSIA including the We-Fi fist loss guarantee (portfolio of WSMEs, lending amounts, etc.); (iv) undertake field visit to selected NSIA beneficiaries under the Bank and AFAWA's support; and (v) identify areas of improvement where the African Development Bank and NSIA Bank could focus on to enhance implementation towards greater impact.

##### **Pillar 2: Technical Assistance**

*The projects developed under the technical assistance component aim to strengthen the capacity of partner financial institutions in creating products for WSMEs. Additionally, they provide capacity-building support to WSMEs, cooperatives, and women's associations in areas such as financial literacy, business plan development, and financial management. The allocated funding for this component is \$8.7 million.*

##### **Promoting Women-led Businesses Access to Financial and Technical Support Services with Banque du Commerce et de l'Industrie in Mauritania, Mali, Senegal and Guinea (\$485 000)**

Significant progress has been made in the execution of the AFAWA technical assistance to the *Banque du Commerce et de l'Industrie (BCI)* across Mauritania, Mali, Guinea, and Senegal for the period.

<sup>11</sup> Approved amount is €4,500,000.

A key milestone was the signing of the letter of cooperation on March 15, 2023, which facilitated the establishment of Terms of Reference for the procurement officer and the firm responsible for market evaluations and reviewing BCI's baseline portfolio of WSMEs. This collaboration with the AFAWA team has led to simplified and detailed procurement plans to ensure the smooth execution of upcoming operations. Moreover, the technical assistance is leveraging on a total amount of \$7,6 million of lending which has been cumulatively disbursed to 88 WSME in BCI Mauritania as of June 30, 2024.

These developments are pivotal for both BCI and AFAWA's mission to foster inclusive economic growth and empower women entrepreneurs. Achieving these milestones allowed for the first disbursement of \$250,000 on May 30, 2024, to support the early-stage efforts of BCI in serving women-led small and medium enterprises. BCI was at an embryonic phase of serving WSMEs with no specific disaggregated data, tailored products, and established tools for gender-lens investing. The implementation of project activities and essential work is now beginning, including the development of gender-sensitization training, market identification for WSMEs, enhancement of lending methodologies, and the creation of Customer Value Propositions (CVPs) tailored to each sub-segment of the WSME market and specific country needs.

#### **Improving WSMEs Access to Finance with the Central African Building Society (CABS) in Zimbabwe (\$205 000)**

In 2019, CABS established a women's desk in response to the Reserve Bank of Zimbabwe's directive to enhance financial inclusion. By 2021, the desk had registered 86 women-owned SMEs with a loan portfolio of \$12 million. The project aims to diversify and expand a sustainable women SME portfolio at CABS through two main components: the development of a refined customer value proposition and staff capacity building, and non-financial services to WSMEs.

In the third quarter of 2023, CABS began project implementation with a kickoff meeting and fiduciary training for the project unit. The first disbursement request of \$75,000 was made in September 2023, with vendor registration completed in October. CABS also started the procurement process for consultancy firms for both components.

In January 2024, the Bank reviewed and approved the technical report for the second component of the project and allocated consultancy services to the SME Support Center (SSC) for enhancing women SMEs' customer value proposition. The SSC will support CABS over a six-month period beginning in March 2024.

In April 2024, the SSC shared a draft inception report with CABS and the Bank, which included a project work plan. Feedback was provided in May 2024, leading to revisions in the report. The updated report highlighted upcoming activities, including the nomination of project champions, a peer-to-peer learning visit, and key milestones.

Moreover, during the reporting period, CABS identified champions for training under the second component of the project and arranged for the project management unit (PMU) team to visit Kenya for a peer-to-peer learning experience, including participation in the ABSA Women's Forum and meetings with ABSA Bank, SBM Bank, and Kenya Women Finance Trust.

The final WSME customer value proposition has been submitted to the management of CABS subject to their clearance, it will be piloted and tested with four branches in September 2024, through various models to ensure it drives business, profitability and enhances access and usage of the credit products across the key value chains employing women. The pilot evaluation and product refinement will run from September to December 2024.

The second contract of component two that involves providing non-financial services to women SMEs has been executed between CABS and SME Support Centre based out of Kenya. The inception phase has commenced and will comprise conducting a gender mapping exercise to identify the value chains in the above-mentioned sectors, in which women are more participatory. This will eventually inform the design and development of a business development service (BDS) program.



*Picture 1. Group photo comprising the CABS and the SSC women team*

**Strengthening Access to Finance for Women SMEs with the Cooperative Rural Development Bank (CRDB) in Tanzania (\$175 000)**

Between 2023 and 2024, We-Fi's partnership with the Bank and CRDB Bank under the AFAWA program has made progress in empowering women-owned SMEs in Tanzania. A video documentary was produced to capture this transformative journey, highlighting both the opportunities and challenges faced by women entrepreneurs. The film showcased how this collaboration has significantly impacted women's participation in the private sector, leading to enhanced financial inclusion and growth. Key stakeholders, including CRDB Bank's retail banking leadership and selected women business owners, shared their experiences.

As of 2023, \$10 million in lines of credit were fully disbursed to CRDB Bank, directly benefiting 595 women-led businesses across sectors such as trade, agriculture, hospitality, and services, with individual loans starting at \$5,000. This injection of capital has catalyzed economic growth, increased the presence of women in high-impact industries, and continues to foster long-term sustainability for their businesses. Furthermore, the technical assistance component of the program will commence in October 2024 as the contract of the consulting firm is being finalized. This will ensure targeted support and capacity-building to the women entrepreneurs and CRDB Bank.

**Strengthening the Entrepreneurship Skills of WSMEs and Women Employees with the Export Trading Group (ETG) in Mozambique, Tanzania, Zambia, Zimbabwe (\$1,400,000)**

The overall goal of the ETG-AFAWA project is to increase the overall efficiency of targeted women-led businesses by offering solutions that enhance their knowledge and business skills to promote entrepreneurship, to develop the entrepreneurial mindset and upskill the women employed in ETG's business operations in Mozambique, Tanzania, Zambia and Zimbabwe by 2028.

To ensure that the project will be relevant, efficient, effective and impactful, a 6-month diagnostic study has been designed to be conducted in the four selected countries (Mozambique, Tanzania, Zambia and Zimbabwe) during the pre-project implementation phase.

The pre-implementation phase of the project has commenced, and this seeks to address the distinct needs of these two groups by first conducting a thorough contextual analysis followed by baseline surveys to understand

their unique challenges and opportunities. The scope will cover: mapping gender roles, analyze gender gaps and dynamics, design gender sensitive strategies and smart solutions.

The focus of this pre-implementation phase is to lay the groundwork for a successful intervention by gathering important data insights. The project will begin with a contextual analysis to assess the economic, social and cultural factors that influence women's entrepreneurship in each of the focus countries. This will be followed by baseline surveys targeting both women SMEs and women employees, using a combination of data collection methods, including interviews, focus group discussions and questionnaires. These surveys will provide a detailed understanding of the current landscape and inform the design of a tailored intervention strategy.

The project's pre-implementation phase has been planned to cover six months, beginning in mid-August 2024 and ending in mid-February 2025. This timeline is ideal as it allows sufficient time for a thorough data collection, analysis and strategy formulation process. The initial two months will focus on contextual analysis and stakeholder engagement, while the following three months will be dedicated to conducting the baseline surveys and data analysis. The final month will be used to consolidate the findings and propose a detailed intervention strategy that aligns with the project goals. Throughout the pre-implementation period, continuous monitoring and feedback mechanisms will be put in place to ensure the project stays on track and adapts to any emerging challenges or opportunities.

Therefore, this pre-implementation phase is crucial for setting the stage for the successful execution of the ETG project. By comprehensively analyzing the context and conducting the baseline surveys, the project will be well-positioned to propose interventions that will both be effective and sustainable and will ultimately contribute to the economic empowerment of women in the target countries.



*Picture 2. Women employees sorting agricultural produce*

**Promoting WSMEs Access to Financial Services with the First City Monument Bank (FCMB) in Nigeria (\$285 000)**

The We-Fi grant has been instrumental in scaling FCMB's support to women SMEs. 1,288 WSMEs were able to benefit from: expertise and knowledge sharing, personalized mentorship, targeted capacity building programs, access to new markets, and preparation for investment opportunities.

This partnership has significantly expanded FCMB's ability to generate meaningful impact and enable more WSMEs to reach new heights and generally foster their growth and success. The line of credit has also made significant progress in expanding lending opportunities for WSMEs. \$1,813,453 has been effectively loaned to 54 women entrepreneurs. Efforts are ongoing to accelerate and scale these achievements.

An intense training for staff on *SheVentures* products and sales strategies to effectively market to women-owned businesses, understanding their needs, offering tailored solutions, highlighting the benefits, and proposing further solutions was also carried out both virtually and physically. The training encompassed key topics such as gender awareness, the WSMEs challenge and criteria as well as gender-sensitive sales strategies. By June 2024, over 200 staff have been trained through a combination of virtual and in-person sessions, with ongoing training efforts in progress. The training has equipped the FCMB team to better serve WSMEs, ensuring their satisfaction, repeat business, and supporting their growth.

**Focus on Best Masterclass**

The She Ventures program offers the Business Empowerment and Sustainability Training (BEST) Masterclass, which has trained 988 women entrepreneurs across 8 Nigerian locations. This program provides financial management skills, mentorship, access to financial solutions, and guidance on region- and sector-specific entrepreneurship skills. It also facilitates networking, particularly for new businesses needing capacity building.

The BEST Masterclass aims to tackle the unique challenges faced by women entrepreneurs in Nigeria by enhancing their financial management skills, offering mentorship, and increasing access to tailored financial products. The program has significantly boosted participants' confidence, improved their financial practices, and supported business growth. It covers essential topics such as budgeting, cash flow management, and financial decision-making while introducing participants to She Ventures' products and services. The program effectively addresses key gaps in the entrepreneurship ecosystem.



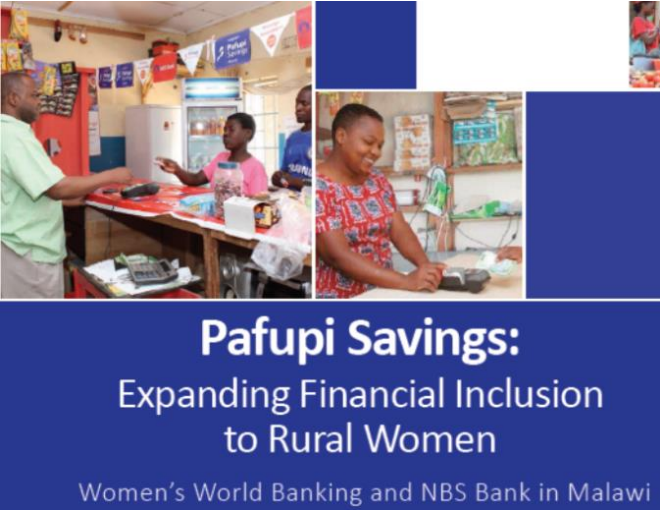
*Picture 3. BEST Masterclass beneficiaries*

The SheVentures program seeks to scale up the program to reach more women entrepreneurs and exploring opportunities for replication in other regions in Nigeria.

**Expanding Digital Access to Finance for WSMEs with NBS in Malawi (\$265 000)**

Signed in June 2024, the technical assistance funding to NBS Bank in Malawi aims to expand lending to underserved women-owned and -led enterprises by enhancing its digital banking platform, improving due diligence and credit scoring for rural WSMEs.

The conditions precedent to project implementation are being fulfilled and expect to be completed by September 2024. Thereafter, procurement of a digital financial firm to support development and enhancement of NBS Bank platform to provide digital lending services is expected to start in October 2024.



Picture 4. NBS Bank Banki Pafupi program

Access to banking in Malawi remains limited, especially in rural areas where only 27% of the population have accounts, compared to 68% in urban areas. Women are significantly underbanked, with only 27% having accounts compared to 37% of men. However, mobile banking is helping to drive financial inclusion, especially for women.

The WSME funding gap in Malawi is estimated at \$124 million, with 3,696 addressable WSMEs. Commercial banks in Malawi generally lack tailored products for women. NBS's *banki pafupi* has helped mobilize over 200,000 accounts, 30% of which are owned by women. AFAWA is partnering with NBS to expand financial inclusion for WSMEs through the *pafupi* platform, enhancing lending capabilities and providing non-financial services to support women entrepreneurs.

In addition to a \$7 million trade finance guarantee from the Bank, AFAWA's grant will fund expertise to upgrade NBS's digital platform, enabling it to serve WSMEs better. This intervention supports We-Fi's goal of using digital financial solutions to increase access to capital for WSMEs, along with providing non-financial services to improve their bankability.

The project aims to provide financing for 1,000 WSMEs and unlock \$5 million in lending over three years, helping to close the gender funding gap in Malawi. The Bank, acting as an implementing partner of the We-Fi trust fund, will oversee the project, ensuring successful outcomes in collaboration with NBS Bank. This project advances We-Fi's objective of utilizing digital financial solutions as an enabler to increase access to capital for WSMEs – including providing non-financial services to improve WSMEs bankability and productivity.

This technical assistance intervention will enable NBS to become a first mover in an underserved women's market segment through providing digital solutions tailored to increase credit for WSMEs. Additionally, the support contributes to non-financial additionality that relates to capacity building to NBS and targeted WSMEs which provides end to end support needed to overcome the bottlenecks faced in lending to Women SMEs. This will

ultimately unlock financing to WSMEs through enhanced customized value propositions and non-financial services that build a pipeline of bankable WSMEs.

### **Pillar 3: Enabling Environment**

*The following section covers the enabling environment component, which aims to enhance the policy and regulatory landscape for WSMEs across Africa with a budget of \$8.1 million. This involves assessing legal and policy frameworks in target countries, identifying gaps and policies to improve women's financial inclusion, and promoting grassroots advocacy for the enactment of policy and legal reforms.*

#### **Women's Economic Empowerment through Affirmative Procurement Reform with UN Women in Cote d'Ivoire, Senegal, Mali and Nigeria (\$4 000 000)**

During the reporting period, the project has achieved significant results outperforming its objectives.

Overall, the project is contributing to building the capacity of women entrepreneurs to access public procurement opportunities. During the reporting period, 1,390 additional WSMEs have received comprehensive training in areas such as procurement processes, digital marketing, and financial management, bringing the cumulative total to 2,000 WSMEs supported since the start of the project. Moreover, 1,695 WSMEs have been supported to access to new procurement opportunities throughout the targeted countries. As a result, women's capacities and confidence to participate in procurement has increased.

The project has also trained 215 government officials from public agencies in Senegal, Mali and Nigeria on affirmative procurement reform and procedures. As a result of this, a behavioral change is being observed in some countries.

The project's ongoing institutional engagement, policy dialogue and technical support to national governments and regional institutions have resulted in the Affirmative Procurement policy that includes a specific quota for women-owned businesses in Kaduna and Lagos State states in Nigeria.

Since the project started, the following results have been achieved:

- 2,000 WSMEs trained on affirmative procurement processes
- 1,695 WSMEs supported to access to procurement opportunities
- 365 officials trained officials trained to implement (GRP) policies/practices
- 4 policies promoting GRP and 1 regulation on GRP
- 114 institutions equipped with the necessary tools and knowledge to implement gender responsive policies and practices
- 237 Women's Empowerment Principles (WEPS) signed
- 611 WSMEs registered on United Nations Global Marketplace (UNGM)
- 601 WSMEs have enhanced their business operations to achieve business compliance (that allows them to access public procurement processes)

### **Pillar 4: Special Projects**

*The special projects component was developed to expand access to financial and non-financial services and develop activities that complement and maximize outreach to underserved urban and rural women entrepreneurs and WSMEs. The allocated budget is \$10,8 million.*

## **Women led Staple Food Cooperatives with UN Women in Cote d'Ivoire (\$1 500 000)**

This AFAWA project addresses the evolving context of Côte d'Ivoire's agricultural sector, focusing on enhancing the resilience of women-led farms. The project targets 322 women's farms/agricultural businesses, addressing challenges such as market fragmentation, competitiveness, and access to financing.

In terms of key achievements, the project has successfully engaged 270 cooperatives, benefiting 21,300 women. Support has been provided to 267 simple groups/cooperatives and 3 cooperative companies. The main crops involved in this initiative include a mix of staple foods and vegetables: rice, corn, cassava, yam, pepper, tomato, okra, and eggplant.

In terms of partnerships and interventions, the project has strengthened partnerships with key entities including ANADER, relevant ministries, and Côte d'Ivoire Export. Collaboration with the Directorate of Adult Literacy and Non-Formal Education (DAENF) has been crucial in developing literacy programs. Additional partnerships with KAIZEN and FIRCA aim to equip women farmers to face climate change challenges and improve market access.

Financial partnerships with COFINA-FIN'Elle, OBA, and ECOBANK focus on developing tailored financial products for cooperatives. UN Women has worked to optimize both financial and non-financial services offered by these partners. A workshop with these financial institutions involved 50 women's cooperatives grouped within the VSLAs (Association for the Promotion of Community Mutual Aid).

Financial products have been developed or adapted specifically for women, particularly as part of the partnerships with FIN'Elle. More specifically:

- **Low-interest loans:** These loans are specifically designed for women entrepreneurs in agriculture, facilitating access to financing adapted to their repayment capacities while taking into account the seasonality of agricultural activities (For women-led VSLAs, the interest rate is 1.25% compared to 1.33% for men).
- **Flexible microfinancing:** A microcredit product offering amounts adapted to the needs of small farms or businesses run by women, with flexible repayment options.
- **Dedicated savings accounts for women's cooperatives:** A savings solution that allows women's cooperatives to manage their liquidity securely while accessing financial management tools. These products have been designed to offer accessible financial solutions adapted to the realities of women in rural areas.

On market initiatives, the project has facilitated participation in several key events to enhance market access for women-led cooperatives and SMEs. At the International Agriculture and Animal Resources Show (SARA), 10 cooperatives and women-led SMEs took part, resulting in sold-out inventory and secured contracts and market guarantees. The National Food Days, held from December 15-17, 2023, saw the participation of 1 cooperative and 1 federation of cooperatives, with over 200 meetings conducted with potential buyers and a focus on product presentation techniques. During the Fan Zone event at the Africa Cup of Nations (AFCON 2023), 21 women's cooperatives participated, with impressive outcomes: 95% reported increased brand awareness, 68% expanded their professional network, and 47% experienced an increase in sales. These events have significantly contributed to improving market access and visibility for the participating women-led agricultural enterprises.

Moreover, the project has implemented a comprehensive training and capacity-building program to support women-led cooperatives and SMEs:

- Formalization training was provided to 132 cooperatives, emphasizing the importance of formal business structures.
- In the area of product development and marketing, over 100 representatives from 50 women's cooperatives received training in labeling, packaging, and quality control, focusing on visual presentation, quality standards compliance, and promotion of local foodstuffs. This training is being reinforced through bimonthly follow-up meetings planned over 7 months.
- To leverage digital technologies, the project established 3 WhatsApp platforms connecting more than 500 women-led SMEs, which have facilitated the signing of over 100 contracts for processed products and services.
- Additionally, a trade facilitation workshop was conducted, with more than 80 women participating in sessions on the WTO Trade Facilitation Agreement, African Continental Free Trade Area (AfCFTA), and ECOWAS Protocol, enhancing their understanding of international trade frameworks.

This approach has yielded tangible outcomes, improving product standards, increasing sales and revenue, and opening new market opportunities. The project continues to work on strengthening the competitiveness of women's cooperatives in the agri-food industry, both domestically and internationally.



Picture 5. UN Women booth at the National Wildlife Day

**Creating a Sustainable SME Supply Chain in the Oil and Gas Sector, LinKar project with Empresa Nacional de Hidrocarbonetos (ENH) in Mozambique (\$500 000)**

The LinKar program, supported by multiple donors, aims to create a better environment for women-owned/led SMEs in Mozambique by addressing market and financing barriers, building capacity, and promoting their participation in the oil and gas sector. The goal is to stimulate SME linkages with oil and gas companies, leveraging Mozambique's gas resources for broader economic growth and job creation.

Since the third quarter of 2023, LinKar has built significant relationships with SMEs, financial institutions, and business service providers to support WSMEs. Stakeholder engagement, including site visits and evaluations, remains central to the project. LinKar participated in African Energy Week in Cape Town in 2023, highlighting opportunities for local SMEs to collaborate with international vendors and form joint ventures. Additionally, the

project co-convened the "Fueling Women's Economic Empowerment" event in Pemba, engaging over 100 stakeholders.

LinKar partnered with the Mozy Web project to deliver training for 60 WSMEs on formalizing their legal status, a key barrier to their business growth. This training will be expanded to other regions in Mozambique. The project also signed an MoU with Millenial Bim (Mbim) Bank to provide financial information to SMEs, though a guarantee fund has not yet been established. A six-part webinar series has been launched to improve SME financial profiles.

A notable B2B networking event titled "Roadmap to Promote Real Opportunities for Mozambican SMEs in 2024" brought together 120 attendees and fostered discussions on local content, finance access, and SME challenges. LinKar also participated in other sector events, such as the Mozambique Mining and Energy Conference, further promoting SME engagement.

Through the Mozy Web partnership, 23 WSMEs completed Legalization/Formalization training in Vilanculo and received financial support for the necessary fees. LinKar's efforts were well-received and positively covered in the media. This initiative also supports WSMEs aiming to enter Sasol's supply chain in Mozambique's Inhambane Province.

**Empowering Women in Agrifood (EWA) with Femmes Africa Solidarité (FAS) in Tanzania (\$276 000)**

The EWA project aims to empower women-led cashew cooperatives in Tanzania's Tandahimba region by increasing their production capacity and improving the quality of processed cashews. Specifically, the project seeks to strengthen 10 women's cooperatives, each comprising 15 members, to meet the growing demands of private sector cashew exporters. Through this initiative, production is projected to rise from 500 tons to 3,000 tons annually, leveraging a gender-responsive approach to enhance market access and operational efficiency.

However, since signing the We-Fi grant agreement of \$276,000 in January 2023, significant delays have impeded implementation. *Femmes Africa Solidarité* (FAS), the implementing partner, requested additional time in April 2023 to raise additional funding before commencing operations. To date, they continue to seek co-financing from partners like UNDP, but without success. In April 2024, FAS further requested either additional funding or a budget revision on the already approved grant to cover staffing costs for their Project Implementation Team (PIT), highlighting that the lack of remuneration for key personnel would prevent the project from moving forward. This challenge was exacerbated by the requirement in the signed Letter of Agreement, which stipulates that the PIT—comprising an Executive Director, Program Officer, Senior Auditor, and two Lead Coordinators—must be fully in place for implementation to proceed.

To mitigate these issues, the Bank is currently reviewing FAS's request for budget reallocation, with senior management approval expected in the third quarter of 2024. Once approved, project implementation is targeted to commence in the final quarter of 2024. This adjustment is necessary to ensure the project's success and address the critical need for staffing to drive the initiative forward.

**B. WE FINANCE CODE SUMMARY**

**Context**

The African Development Bank, in partnership with the Alliance for financial inclusion (AFI), is developing a project which aims to improve the availability and use of sex-disaggregated data, as well as enhance financing for women-owned micro and small-to-medium-sized businesses (WMSMEs) in 3 African countries: the Democratic Republic of Congo, Ghana and Tanzania.

More specifically, the project aims to coalesce public and private sector partners (central banks, financial service providers, investors, WSME associations, and other partners) across the financial ecosystem to:

1. Identify champions among the public and private sectors who may wish to become signatories of the WE Finance Code.
2. Improve the collection, analysis and use of supply-side data to advance financial inclusion of women-led enterprises; and act in their relevant domain to help close financing gaps for women entrepreneurs.
3. Support the beneficiary countries in: (i) designing and implementing sex-disaggregated data collection frameworks, including in fragile contexts; (ii) facilitating a multi-stakeholder approach to identify the data producers and data generators and champions in the WSME finance data ecosystem; (iii) defining clear national level WSME definitions and corresponding regulations; and (iv) and adapting data reporting systems to generate reliable datasets and indicators on WSME financing, and other moveable collateral, including in fragile contexts.

The project will feature a series of training and workshops for AFI members across Africa, aimed at addressing key capacity and knowledge gaps. It will also support financial policymakers and regulatory institutions in developing action plans that engage all national stakeholders, including regulators, financial institutions, microfinance institutions, telecom companies, and national statistics offices. Additionally, the project will scale policy learnings by leveraging the collective experiences of AFI member jurisdictions that have made significant progress in these areas.

To compliment this, support will also be provided to national statistical offices to build their capacities and support them in the production and collection of reliable sex-disaggregated data in relation to WSMEs access to finance. This will be done through the work that the Bank’s Gender and Women Empowerment Division is currently undertaking within the framework of the Africa Gender Index (AGI).

**Progress**

The preparatory phase of the project has been completed, with the following key activities:

- Presenting the project to the target countries, central banks, financial institutions, and national statistics offices
- Gathering feedback from stakeholders
- Ensuring their commitment to the project

Tanzania and Ghana have shown strong enthusiasm and engagement, while the Democratic Republic of the Congo has faced some initial challenges, particularly with responsiveness from the Central Bank and Bankers’ Association. However, efforts are ongoing to secure their full participation.

Additionally, extensive consultations with our partner AFI have ensured that the project aligns closely with the WE Finance Code objectives. The finalized project proposal has been submitted for internal Bank review, where a cross-functional team, including experts in financial management, legal, monitoring and evaluation, and procurement, has thoroughly assessed the proposal for compliance with Bank regulations. The project will be submitted to the We-Fi technical review committee in October 2024.

Key Milestones	Date
Finalization of the Technical Assistance Request (TAR)	June 2024
TAR Clearance by the AHGC Management	June 2024

TAR Peer Review	June 2024
Desk Appraisal	June 2024
TAR Clearance by the We-Fi Technical Review Committee	October 2024
Internal Processing of the Proposal	October 2024
Signing of Grant agreement	November 2024

### C. KEY CHALLENGES AND LESSONS LEARNED

#### Challenges

Key challenges in implementing the program include:

**Safety and security concerns:** Some implementing partners have noticed the safety and security of both participants and the organizing team as a top priority when implementing the projects. Some targeted WSMEs are in rural and remote areas where the security situation is inadequate. Challenges experienced in such areas include kidnapping, violence, political instability or conflict difficulty in reaching target audience which leads to low participant engagement. This slows down the number of WSMEs being reached within the quarter.

**Delays in time management:** Time management has been a significant challenge when implementing the projects. There have been prolonged durations between the design, evaluation, and payments to implementing partners. This is necessitated by the fact that projects are cleared, and disbursements are done after the agreement is signed. There are, sometimes, precedent conditions that must be met subject to the disbursements being made. Such conditions may cause further delays in implementation. Moreso, We-Fi is supporting the African Development Bank financial sector transactions, which can take approximately a year between the Board's approval and the signing of the agreement. These are the Bank's protocols and general structures which must be adhered to. They are not exclusive to AFAWA projects. Mitigations measures have been developed and further detailed in the action plan submitted in July.

**Capacity issues in PIUs:** Program Implementing Units (PIU) structural and personnel limitations have made it difficult to carry out some of the projects efficiently. The initiation and implementation of technical assistance projects have been significantly impeded by PIU members' limited capacity and occasionally lacking buy-in, even though strict rules have been developed and compelling processes communicated with the project implementing partners. In some cases, partners take a very long time, more than six months to form project implementation teams. This has resulted in delays in project implementation.

**Partnership and institutional engagement:** The advisory nature of some of the projects requires long-term institutional engagement, particularly in the early stages, leading to slower-than-expected progress. The projects developed with UN Women for instance have a strong (almost entire) focus on advisory services, and institutional engagement, and as such, it requires intense institutional engagement during the early stages of project implementation. While this might be perceived as slow project progress, such projects will see most results take place at the latest stage. Based on UN Women's experience in promoting gender equality, prioritizing partnership building and institutional engagement in the first year is crucial to minimize political economy risks and ensure long-term sustainability of reforms.

**Budgeting challenges:** Smart financial planning and skillful cost management are essential to ensure appropriate project funding. In contrast, poor budgeting has resulted in undesirable outcomes. In the case of the Empowering Women in Agriculture (EWA) a project with a civil society organization, which had to review the budget after the agreement had been signed. This issue is currently ongoing and awaits guidance from senior management.

Challenges experienced by the implementing partners	Action taken by the implementing partners to mitigate the challenges
Slow reach of the targeted WSMEs due inadequate security in some regions	<p>The implementing partners have built relationships with local stakeholders and authorities to ensure security is adequate to reach the WSMEs.</p> <p>Implementing partners have contingency plans in place for alternative training locations or formats.</p>
Time management for efficient project implementation – the lengthy approval process between the Bank’s Board approval and the signing of agreements with implementing partners	<p>Though the project implementation starting date is when the letter of agreement is signed, there is always a clause of no cost extension would there be unexpected delays in implementing the project.</p> <p>Moreover, as indicated in the action plan, new projects already in the Bank’s portfolio have been identified, enabling an expedited due diligence phase and the consideration of embedding We-Fi instruments.</p>
Program Implementing Units (PIU) structural and personnel limitations have made it difficult to carry out some of the projects efficiently.	<p>AFAWA is always in constant communication with the implementing partners and guides them on procurement procedures and policies when setting up the project implementing units. While procurement procedures may take time, careful attention is always given to avoid errors that could result in the cancellation of the process or trigger audit queries.</p>
Ensuring that new projects developed can be completed by the end of the program supervision period.	<p>AFAWA has started diversifying profiles of implementing partners in charge of the implementation. Innovative projects leveraging instruments leading to faster results are being prioritized.</p>

**Lessons learned**

After three (3) years of implementation, four (4) main lessons can be drawn:

**1. We-Fi resources have played a pivotal role in shifting and improving the African Development Bank’s approach to financing of the women market.**

This is the result of the collaboration of AFAWA officers working in close collaboration with the Bank's investment officers across different sectors. It underscores the awareness built at the clients' level, their buy-in, the comprehension of the business rationale for investing in the women's market segment, and the support of board members keen to see more gender sensitive projects approved by the Bank.

Nevertheless, there remains untapped potential. More projects can benefit from the resources offered by We-Fi. Since the beginning of the year, AFAWA core team has extensively engaged with investment officers across all departments to raise awareness on innovative financing mechanisms leveraging blended resources. This new

approach has helped shape the direction of this revised action plan. Additionally, to fast-track the approval process and beginning of implementation, particular attention has been put on transactions recently approved by the Bank that could also benefit from an AFAWA component.

- The on-boarding and roll-out of additional We-Fi strategic projects calls for:
- An increased participation of AFAWA officers to the Bank’s appraisal process and origination phase of projects to ensure carved out amounts for WSMEs financing consistently with We-Fi definition.
  - Further awareness among the African Development Bank’s operations teams on the available We-Fi products under the access to finance component, and organization of Brown Bag Series.
  - An improved data collection system, which would be achieved through a greater collaboration with the Bank’s Non-Sovereign Operations and Private Sector Support (PINS) Department to collect outcomes and impact data consistently with We-Fi impact assessment requirement.
  - The on-boarding of Business Service Providers to support the AFAWA officers with the origination of We-Fi projects and subsequently with the implementation of projects.

**2. We-Fi resources represent an opportunity to originate more gender transformative projects at a reduced risk and with better incentives.**

The access to finance component intended to provide first loss cover to de-risk the Bank’s lending to projects focused on women’s access to finance and to leverage other innovative financing instruments to increase financial institutions’ interest to on-lend more to women owned/led enterprises. However, since the beginning of the initiative, there have been limited opportunities requiring this intervention.

AFAWA has re-evaluated and tailored its action plan in response to the knowledge sharing series held with other We-Fi implementing partners.

- Our goal: Improve collaboration with financial and non-financial institutions to expand their capacity to reach women customers by utilizing performance-based incentives and risk-sharing facilities to improve projects that will significantly impact underserved women SMEs.
- The training provided by We-Fi on innovative financial products has raised awareness within the institution about performance-based incentive (PBI) projects. Over the past quarter, the (1) Absa project has been approved and is in the process of being signed, (2) the Cap-Emplois project in Tunisia, under access to finance, has been approved by the Board and is highly anticipated by the Tunisian government for its expected transformational impact for women and youth. (3) Another similar project is also underway in Senegal.
  - Use of blended funds to cover the Bank’s share of investments in equity funds in the event of a first loss, and/or portfolio coverage to cover anticipated losses in the event of a risk-sharing facility are among the mechanisms to be employed.
  - Interest rate step-downs.

**3. Engaging in strategic partnership have proven to be essential to bring scalable change and to infuse a systemic transformation of the access to finance landscape for women entrepreneurs.**

The highest performing We-Fi projects have been the ones implemented with partners having strong expertise in gender lens investing, such as UN Women.

Our goal:

- Increase the number of strategic partnerships and go beyond traditional financial institution partners, considering microfinance institutions, asset management funds active in agriculture, technology as well as empowering WSMEs dedicated fund across the continent. To achieve this, the special projects component has been revised to group projects by strategic sectors, not the usual mainstream ones, allowing for a deeper impact. This is the main objective of this component.
- In addition to organizing projects by sector, further collaboration is being enhanced within the Bank across different departments. This aims to originate diverse projects with sector experts, ensuring job creation and financing opportunities in niche or often overlooked sectors. This approach goes beyond the Financial Sector Development Department (PIFD), with whom most projects are currently being originated.

**4. Growing the pipeline of projects leveraging We-Fi resources requires an increase in the AFAWA team responsible for developing and monitoring project implementation.**

During this past quarter, the recruitment of the AFAWA Coordinator has been concluded, effective July 16. The recruitment of a Senior AFAWA Officer has also been concluded, and the selected candidate is expected to assume duty on September 1, 2024. Moreover, an AFAWA Senior Consultant has been onboarded to strengthen the AFAWA secretariat and support the expedited implementation of the initiative's activities.

More resources are expected to be brought on board by the end of the year to support the fast-tracking of the project approvals and implementation. Following consultations with the Bank ecosystem, external legal counsel will also be recruited to accelerate the negotiation and signature process. These measures will contribute to increase the disbursement rate of We-Fi committed resources by 2028.

**IV. IMPACT AND PROGRESS TOWARDS MEETING WE-FI TARGETS**

**D. IMPACT AND PROGRESS TOWARDS MEETING TARGETS**

The AFAWA initiative, supported by We-Fi funding, aims to reach 40,000 women-owned/led small and medium-sized enterprises across Africa by addressing both financial and non-financial barriers they face. As of now, committed projects target over 7,000 WSMEs for access to finance and aim to build the capacity of more than 12,000 WSMEs through technical assistance. These objectives are being pursued through eleven signed projects, totaling nearly \$14 million, which accounts for 25% of the total funding received from We-Fi.

Key projects have made measurable strides in reaching WSMEs:

- CRDB Tanzania has provided access to finance to 595 women-led businesses across sectors such as trade, agriculture, hospitality, and services, with individual loans starting at USD 5,000.
- FCMB Nigeria has provided 1,288 WSMEs with expertise and knowledge sharing, personalized mentorship, targeted capacity building programs, access to new markets, and reparation for investment opportunities. Additionally, 54 women SMEs have receiving financing from FCMB.
- The Linkar Project has engaged 97 WSMEs.

- UN Women Staple Foods project has benefited 270 cooperatives, impacting 21,300 women.

### Data management and reporting

Reporting sex-disaggregated data on loans provided to WSMEs has proven to be very challenging for Bank and FIs who are still in the process to put in place robust reporting mechanisms. The technical assistance provided to the FIs is helping to improve the current reporting mechanism, streamlining indicators and harmonizing definitions across DFIs would also contribute improving the overall ability of financial institutions to better report and track the data. Through AFAWA's engagement with the FIs, a solution we are exploring with our IPs is to put in place systems that would allow us to collect the data directly at the level of the beneficiaries. All We-Fi projects have been aligned to report on the same indicators for harmonization and ease of consolidating data. Moreso, an online monitoring system is being developed to support data consolidation and reporting of all the projects on the same platform. Henceforth, all projects to be implemented will be onboarded into the M&E online system.

A few examples illustrating the efforts at the level of the FIs to improve data management and monitoring, include:

- FCMB Nigeria has implemented a comprehensive data management system to track WSMEs and generate insights on their performance.
- NBS Bank in Malawi uses the Bank Pafupi platform to serve women entrepreneurs through digital means.
- UN Women Staple Foods and Linkar projects are establishing systems to capture and report WSME data.
- CABS Zimbabwe supports a sustainable WSME portfolio and uses its women's desk to collect insights on the needs of women entrepreneurs.

### Market linkages and policy reforms

Efforts to enhance market linkages and advocacy have also yielded results:

- Around 820 WSMEs have strengthened connections with larger firms and explored new market opportunities through conferences and other initiatives.
- The UN Women Staple Foods project has engaged with international trade bodies like the World Trade Organization (WTO) and African Continental Free Trade Area (AfCFTA) to promote regional marketing opportunities for WSMEs. While no new legislation has been enacted, 80 WSMEs have been made aware of these opportunities.
- In 2022/2023, one legal reform was adopted in Senegal to improve access to public procurement for women-led businesses. Additionally, a clause on affirmative procurement was integrated into Nigeria's Women's Economic Empowerment Strategy.

## E. EVALUATIONS, RESEARCH AND KNOWLEDGE

Since the start of the program, no evaluations have been conducted, although inception reports have been submitted detailing plans for research and gender diagnostic studies. However, the Mid-Term Review (MTR) of the AFAWA initiative, currently underway, seeks to reflect on lessons learned and explore opportunities to rethink and strategize the approach for the remaining years of the program. The MTR will provide an opportunity to:

- (1) Assess the intervention logic with reference to the outputs and outcomes, the underlying assumptions, and the program approach.
- (2) Analyze progress against the original program objectives, impact targets, and specific commitments to donors, including We-Fi, and suggest corrective actions.
- (3) Provide lessons on what works well and what does not, taking into account contexts and circumstances.

- (4) Make recommendations on how to make the AFAWA program a bank-wide initiative and the appropriate institutional arrangements to speed up, scale up, and amplify results.

The findings of the MTR will inform the Bank’s senior management and AFAWA donors of the state of affairs against the original program objectives and donor commitments, including We-Fi, value for money, improvements, and emerging priorities and strategies to be considered in utilizing the various financing sources in the second half of the implementation period, spanning from 2024 to 2026, and assessing the utilization of the funds.

The preliminary assessment of the We-Fi program will be submitted to the We-Fi Secretariat before September 30, 2024, in preparation for the We-Fi Governing Council October session.

## V. PLANS FOR NEXT YEAR

The AFAWA action plan submitted in July provides an overview of the focus areas and planned activities for the next year.

The ADFI action plan is submitted as an separate annex to this report.

## VI. ANNEXES

### ANNEXES TO BE SUBMITTED WITH THE NARRATIVE REPORT

- Annex I. Funding and Budget Information
- Annex II. WE Finance Code Update
- Annex III. Examples of Impact on WSMEs
- Annex IV. WSME Definitions
- Annex V. IP Methodology for Results Measurement
- Annex VI. Closed Projects

### ANNEXES TO BE SUBMITTED AS SEPARATE EXCEL FILES

- Annex VII. Project-Level Summaries
- Annex VIII. List of Committed projects
- Annex IX. Results Framework
- Annex X. Risk Framework

## ANNEX I. FUNDING AND BUDGET INFORMATION

### A. Status of We-Fi Funding

Budget Categories (per proposal)	Amount per ROUND 2			Amount per ROUND 4		
	Revised Budget (if applicable)	Committed*	Disbursed*	Revised Budget (if applicable)	Committed*	Disbursed*
Access to Finance	30,000,000	4,900,000	0			
Technical Assistance	8,700,000	2,815,000	516,000 <sup>12</sup>			
Enabling Environment	8,100,000	4,000,000	4,000,000			
Special Projects	10,800,000	2,276,000	1,620,100 <sup>13</sup>			
<b>Total Budget</b>	<b>57,757,000</b>	<b>13,991,000</b>	<b>6,136,100<sup>14</sup></b>			

### B. Projections on Reflows

Year	Round 2		Round 4	
	Min. Estimate (USD)	Max. Estimate (USD)	Min. estimate (USD)	Max. Estimate (USD)
By June 2025				
By June 2026				
By June 2027				
By June 2028				
By June 2029				
By June 2030		5,000,000*		
By June 2031				
By June 2032				
By June 2033				

\*The Bank has signed a partial credit guarantee (PCG) of \$15 million with NSIA Bank Cote d'Ivoire in 2023 in order to unlock over \$30 million on a portfolio of loans to women-led or owned enterprises. This PCG is backed by We-Fi resources as first loss guarantee up to an amount not exceeding \$6 million for a period of 6 years. As of end August 2024, no claim was reported to the Bank as NSIA Bank continue to grow it lending to women businesses leveraging on the Bank PCG and we-fi first loss guarantee.

<sup>12</sup> FCMB: 171,000; CABS: 95,000; BCI: 250,000

<sup>13</sup> UN Women Staple Food: 1,500,000; Linkar: 120,100

<sup>14</sup> Excluding the AfDB management fees equivalent to \$362,240 as of June 30, 2024

### C. Types of Activities Funded

Funding Categories	Round 2	Round 4
Investment Activities	4,900,000	
Technical Assistance/Advisory Activities	2,815,000	
WSME Capacity Building	6,276,000 <sup>15</sup>	
Grants to WSMEs		
Research, M&E and Evaluations		
IP Fees	362,240	
<b>Total</b>	<b>14,353,240</b>	

### D. Summary Focus Areas Funded

Funding Categories	Committed Amount	
	Round 2	Round 4
Access to Finance	7,715,000 <sup>16</sup>	
Access to Markets		
Access to Skills	2,276,000 <sup>17</sup>	
Enabling Environment	4,000,000 <sup>18</sup>	
IP Fees	362,240	
<b>Total</b>	<b>14,353,240</b>	

\* The amounts listed in this table must match with sum of all projects in the project list excel file.

<sup>15</sup> This comprises the enabling environment and special projects.

<sup>16</sup> According to the We-Fi project list definitions, AfDB technical assistance projects are categorized as Access to Finance projects. This total includes NSIA, BCI, CABS, CRDB, ETG, FCMB, and NBS.

<sup>17</sup> UN Women Staple Food (1,500,000), Linkar (500,000) and EWA (276,000) projects.

<sup>18</sup> UN Women affirmative procurement.

**ANNEX II: WE FINANCE CODE: INFORMATION ON TIMELINES, STAKEHOLDERS, COMMITMENTS**

<b>Democratic Republic of the Congo (DRC), Ghana, Tanzania</b>		
Date/Anticipated date of public declaration of intent to launch the Code	December 2024	
Entity/Entities making the statement	Central Bank	
Link to publications, if available		
Anticipated date of Launch event with FSPs signing up to the Code	December 2024	
Code Aggregator(s)	Central Banks	
Code Coordinator(s) in the country	Central Banks	National financial associations
Key organizations of the National Code Coalition	National Financial Associations (Bankers' Association, Microfinance Association, FinTech's Association, etc.)	Ministry of Finance, Ministry of Commerce and SMEs, and the Ministry of Women, WSMEs associations, Women Entrepreneurship Enabler associations, and key international stakeholders
Senior Executives who will champion the Code in the country	Governor of the Central Bank	
Which type of financial service providers will the Code cover? (Banks, MFIs, FinTechs, VC etc.)	Banks, MFIs, FinTechs, VC	

<b>National practices of defining WSMEs and collecting sex-disaggregated data</b>		
When do you anticipate starting to collect the following data points <u>in a sex-disaggregated way</u> ?	First collection date expected	Comments (if any)
Number of Customers	September 2025	
Number and Amount of Loan Applications	September 2025	
Number and Amount of Loan Approvals	September 2025	
Number and Amount of Outstanding Loans	September 2025	
Non-Performing Loans (%)	September 2025	
Number and Amount of Deposits	September 2025	
Other data to be collected - please specify (e.g. data for individuals, disbursements etc.)	September 2025	
What categories of activities are FSPs signing up to the Code committing to? (e.g. Developing new financial products, providing training) If possible, please also specify how many FSP commit to which type.	TBD	
Have there been any policies or regulations established in the country because of the Code?	TBD	

**Case study n°1: How CABS’ new women-led small and medium-sized enterprises (WSMEs) customer value proposition is fostering financial inclusion and empowering women entrepreneurs in Zimbabwe.**

<b>Country Context:</b> Zimbabwe and Women Entrepreneurs	<b>Project Facts:</b> Enhanced women-led small and medium-sized enterprises customer value proposition.
<b>Population:</b> Zimbabwe has a population of approximately 15 million people, with women making up slightly over half the population. However, women face significant challenges in accessing economic opportunities due to historical, social, and financial barriers.	<b>Funding:</b> The African Development Bank provided a grant funded by the Women Entrepreneurs Finance Initiative (We-Fi) to support the Central Africa Building Society’s (CABS) initiative aimed at expanding financial services to women entrepreneurs.
<b>Economic Participation of Women:</b> Only 18% of all businesses in Zimbabwe are owned by women, and less than 30% of women-led businesses have access to formal banking services. In rural areas, women are primarily involved in informal economic activities, with limited access to credit or financial services.	<b>Target Beneficiaries:</b> The project targets up to 1,000 women-led businesses in Zimbabwe by the end of 2024, focusing on both formal and informal entrepreneurs across rural, peri-urban, and urban areas.
<b>Barriers to accessing finance:</b> Most women-owned businesses face stringent collateral requirements, high transaction fees, and complex loan application procedures. Furthermore, the unpredictable economic environment and high inflation rates make accessing affordable credit a significant hurdle.	<b>Key Features:</b> The project offers collateral-free loans up to \$50,000, specialized non-financial services such as business mentorship, financial literacy, and gender-lens training for CABS staff. This initiative is the first of its kind in Zimbabwe, focusing exclusively on women entrepreneurs.

This case study seeks to explore how and why the enhanced women-led small and medium-sized enterprises (WSMEs) customer value proposition project has succeeded in addressing the financial and social barriers faced by women entrepreneurs in Zimbabwe.

It aims to answer two main questions:

1. How has the project impacted access to finance for women entrepreneurs in Zimbabwe?
2. Why has the gender-lens approach, implemented through CABS, proven effective in this context?

**Executive Summary: Transforming the financial landscape for women entrepreneurs in Zimbabwe**

The Bank's partnership with the Central Africa Building Society (CABS) in Zimbabwe is transforming the financial landscape for women entrepreneurs. The enhanced women-led small and medium-sized enterprises customer value proposition project directly addresses the barriers women face in accessing credit. This project, rolled out in early 2024, aims to provide collateral-free loans, specialized financial products, and business advisory services tailored to the needs of up to 1,000 women-led businesses by the end of the year. Through gender-lens training for 45 CABS champions across Zimbabwe, the project is fostering financial inclusion and empowering women entrepreneurs to thrive. The project aligns with AFAWA's broader goals of financial inclusion and gender equity, and its success is expected to set a new standard for women’s economic participation in Zimbabwe.

**Zimbabwe’s women entrepreneurs: the dire need for change**

Zimbabwean women, especially those involved in small and medium-sized enterprises (SMEs), face longstanding financial exclusion. Cultural and economic barriers have historically restricted women from accessing the financial tools necessary to grow their businesses. According to recent Finscope surveys, only about 30% of micro, small, and medium enterprises in Zimbabwe are banked, and fewer than 1% of these businesses have accessed credit from formal banking institutions.

This issue is particularly pronounced for women, many of whom run informal, home-based businesses or “side-hustles” alongside their formal employment. These women often lack the collateral required by traditional banks to secure loans, and high transaction costs further discourage them from formalizing their businesses. Additionally, the country's economic instability has led to high inflation and unpredictable regulatory changes, making the cost of borrowing prohibitively expensive. Thanks to the analysis conducted by the SME support center, CABS, one of Zimbabwe’s largest banking institutions, recognized the untapped potential of women entrepreneurs but also understood the systemic barriers that prevented these women from accessing the financial system.

**A holistic solution: the enhanced Women-led small and medium size enterprise (WSME) customer value proposition**

The project, financed through the Women Entrepreneurs Finance Initiative (We-Fi) grant implemented by the African Development Bank, has its roots in CABS’s broader mission to improve financial inclusion for women in Zimbabwe. In 2019, CABS established a women’s desk in response to the Reserve Bank of Zimbabwe’s directive to enhance women’s access to finance. However, by 2021, the women’s desk had only registered 86 women-led small and medium size enterprise, managing a loan portfolio of \$12 million. Recognizing the need to scale this effort, the CABS enhanced WSME customer value proposition project was launched to diversify and grow a sustainable and profitable women SME portfolio at CABS. It adopts a multifaceted approach to empowering women entrepreneurs by providing both financial and non-financial services. The initiative offers a range of solutions aimed at removing the common barriers women face, such as collateral requirements and high transaction fees.

The project’s primary financial service is the offering of collateral-free loans of up to \$50,000. This groundbreaking move allows women entrepreneurs, many of whom previously could not access credit, to borrow funds necessary for business expansion. In addition to this, CABS provides flexible repayment options, extended loan tenures of up to 36 months, and business advisory services to ensure that the women receiving these loans are fully supported. As CABS Head of Business Banking, Tapiwa Rukara, highlighted recently, "This customer value proposition is the first of its kind in Zimbabwe, setting a precedent for the country’s financial sector to prioritize women entrepreneurs."

Beyond the financial products, CABS also implemented gender-lens training for its staff, ensuring that women’s unique financial needs are met with tailored support. Over three days in July 2024, 45 CABS champions were trained in gender-lens financial literacy, equipping them to deliver these services across Zimbabwe. The training covered topics such as business formalization, financial planning, and digital banking services, all designed to address the specific challenges faced by women. This was reinforced even further by a three-day exposure trip to Kenya, where CABS staff members interacted and gained deep insights with banks and non-bank organizations that had effectively implemented women market initiatives.

The project also places a strong emphasis on non-financial support. Women entrepreneurs receive mentorship, business coaching, and access to networking opportunities that help them grow their businesses beyond just financial aid. The holistic nature of the project ensures that women not only have access to credit but also have the necessary tools to succeed in a competitive market.

### **Success Factors: Why the project works**

Several factors contribute to the remarkable success of the enhanced WSME customer value proposition project.

The project adopts a gender-lens approach that caters specifically to the needs of Zimbabwean women. This approach goes beyond traditional banking practices by embedding gender-disaggregated data collection into CABS's customer relationship management systems. This key innovation ensures that the unique financial behaviors and requirements of women are considered, simplifying processes such as account opening and loan applications. CABS also reduces the barriers women typically face by ensuring the ease of access to financial services, making the experience more personalized and efficient. Women are increasingly seen not just as customers but as valuable clients whose needs must be met with customized solutions

A significant part of the project's success stems from the human-centric approach taken through the training of 45 CABS champions. These champions were not merely trained to deliver financial services but were empowered to act as mentors and guides for the women entrepreneurs they serve. Their role is essential in fostering trust and understanding, as they create a bridge between the institution and its female clientele. This mentor-like engagement is crucial in ensuring that women entrepreneurs feel supported, especially in sectors where they have historically been excluded. "The positive response from the champions has been overwhelming, and their readiness to disseminate gender-lens financial literacy has set the tone for how we want to serve our women clients," stated Tapiwa Rukara.

Moreover, this project has created a comprehensive ecosystem that enables women to not only access capital but also grow their businesses sustainably. CABS provides collateral-free loans up to \$50,000, allowing women entrepreneurs to invest in their businesses without the fear of not meeting traditional collateral requirements. In addition to the financial assistance, women receive business mentorship, financial literacy training, and networking opportunities, helping them to manage their businesses effectively and expand into new markets. This balanced approach ensures that women entrepreneurs are not just recipients of funds but active participants in shaping their business futures.

As CABS continues to monitor the project's success, the impact is becoming increasingly evident. The project has already reached significant milestones, including a 47% profitability on the enhanced women value proposition, a testament to its efficacy and potential for scalability. Furthermore, the project is on track to meet its goal of reaching up to 1,000 women-led businesses by the end of 2024, with plans to expand further in the coming years. This project, as highlighted by the AFAWA and CABS, is not only reshaping the financial landscape for women in Zimbabwe but also setting a precedent for how financial institutions can play a pivotal role in gender equity.

### **A New Path Forward for Women Entrepreneurs**

The enhanced WSME customer value proposition project is proving to be a game-changer for women entrepreneurs in Zimbabwe. By offering collateral-free loans, flexible financial products, and comprehensive business support, the project is creating a more inclusive financial landscape for women. "Through strategic partnerships, gender-lens training, and a strong commitment to women's economic empowerment, CABS and AFAWA are setting a new standard for gender equity in Zimbabwe's financial sector" underlined Alex Area, AFAWA Officer for Southern Africa.

As the project moves into its final phase, it is expected to significantly boost financial inclusion for women and lay the groundwork for a broader expansion of women-focused financial services across Africa.

**Case study n°2: How women are shaping the future of the energy sector in Mozambique through the Linkar program**

Country Context	Project Facts
<p><b>Population (2023):</b> ~32 million</p> <p><b>Women’s participation in labor force:</b> 56%</p> <p><b>Energy Sector Contribution to GDP:</b> 4%</p> <p><b>Women-owned businesses:</b> 30% of SMEs</p> <p><b>National Development Goals:</b> Increase women's participation in key sectors like energy</p>	<p><b>Funding Partners:</b> Women Entrepreneurs Finance Initiative (We-Fi) and Fund for African Private Sector Assistance (FAPA)</p> <p><b>SMEs Engaged:</b> 131(58 women-led business)</p> <p><b>Training and Capacity Building:</b> ISO 9001 certifications, legal status training</p> <p><b>Target Sectors:</b> Energy, Construction, Logistics, Services</p>

The Linkar Program operates on the proposition that by empowering women-owned businesses with technical training, mentorship, and access to financial resources, it is possible to significantly boost their capacity to win contracts, scale operations, and contribute meaningfully to national development goals. Therefore, this case study seeks to explore:

- How can women entrepreneurs overcome structural barriers to thrive in Mozambique’s energy value chain?
- Why is it crucial to integrate women into the core of national economic drivers like energy?

**Executive summary**

The Bank in partnership with Empresa Nacional de Hidrocarbonetos (ENH) and the We-Fi Fund, launched the Linkar program to address the critical gap in women’s representation within Mozambique’s energy sector. The program aims to enhance the competitiveness of women-owned businesses in this sector, facilitating their participation in large-scale projects and creating pathways to financial independence and sustainable economic growth. Through dedicated capacity-building workshops, access to financing options, and targeted mentorship programs, with 38% directly involving women entrepreneurs, the Program is making an impact. By focusing on overcoming structural barriers, such as lack of legal status and certification, the Linkar Program sets the foundation for long-term, inclusive growth in Mozambique's energy value chain.

**Empowering women to lead Mozambique’s energy supply chain**

Mozambique's energy sector is booming, driven by investments in natural gas exploration and production, particularly in the Rovuma Basin, where over 180 trillion cubic feet of natural gas have been found. However, local participation – especially from women – remained low. Major multinational companies like TotalEnergies, ExxonMobil, Sasol, and ENI are leading multi-billion-dollar onshore and offshore energy projects, including one of the largest liquefied natural gas (LNG) projects in Africa.

Recognizing this gap, the Linkar Program, set a bold agenda: **to position women entrepreneurs at the heart of the sector's supply chain**. This involves not only getting contracts but also changing perceptions and empowering women to take on leadership roles within the sector.

**How women are shaping the future of energy in Mozambique through the Linkar program**

In the heart of Mozambique, a silent revolution is underway. The Linkar program, financed through the Women Entrepreneurs Finance Initiative (We-Fi) grant implemented by the African Development Bank and its partners, is creating new opportunities for women entrepreneurs to thrive in the energy sector.

Since its inception, the program has engaged over 131 small and medium-sized enterprises (SMEs), of which 38% are women-owned. In a traditionally male-dominated industry, this is more than just a statistic; it is a testament to how targeted interventions can break through systemic barriers, allowing women to assert themselves in industries where they have been historically underrepresented.

Mozambique’s energy sector, a significant driver of national growth, has long suffered from a lack of local and inclusive participation, especially from women. The **Linkar program**, with its five interconnected components, was designed specifically to address this gap by offering women entrepreneurs the tools, skills, and connections they need to compete at the highest levels.

**The impact of the Linkar program on women entrepreneurs**

Women like **Juvenia Saice**, general manager of DJJJ Construções e Filhos Lda and president of the Cabo Delgado Province Civil Construction Contractors Association, as well as **Teresa Figueiredo**, owner of Tan Trade Sociedade, have emerged as trailblazers in this journey. Before the program, these women entrepreneurs were among those who struggled to gain traction in the energy sector due to high technical standards, lack of formal legal status, and difficulty accessing financing. The Linkar Program changed this by offering:

1. **Technical and Legal Support:** Through workshops and training sessions, the women entrepreneurs are preparing themselves to meet industry standards, especially regarding ISO 9001 certification, a critical requirement for securing contracts in the energy sector.
2. **Access to Finance:** The program introduced an innovative solution to access finance, particularly for women-owned SMEs, through partnerships with banks and financial institutions.
3. **Business Development and Mentorship:** Women-owned businesses received tailored mentorship from industry experts, helping them refine their business strategies and target high-value contracts.

At its core, the Linkar Program isn't just about immediate job creation or contract wins; it’s about fostering long-term, sustainable growth for women in Mozambique. For instance, **Juvenia Saice**, noted that the Linkar Project is crucial to the development of communities in the Cabo Delgado Province which is the center of Mozambique’s gas operations "Empowered women not only boost their incomes but also improve their ability to manage their families more effectively. Linkar’s dedicated focus on supporting women’s initiatives makes a significant difference."

The Project has also demonstrated that when women entrepreneurs are given the right tools, they outperform expectations. In Pemba, the capital of the Cabo Delgado Province, Juvenia and Teresa spearheaded the formation of a group of woman entrepreneurs called “Empowering Women” and asked Linkar to be a founding member and coordinating partner. Today they have more than 90 members who are among the most influential women in the area.

### **Sharing Insights: The Success of Women in energy**

The success of the Linkar Program lies in its holistic approach. It does not simply address one aspect of the problem; it looks at the ecosystem as a whole – financial inclusion, legal empowerment, technical training, and market access. The women who have been a part of this journey attest to the fact that this multi-faceted support is key to leveling the playing field in the energy sector.

One of the key insights from the program has been that local context matters. Mozambique’s legal framework, market conditions, and cultural attitudes towards women in business were all considered when designing the interventions. This localized approach has allowed the program to adapt and remain relevant, ensuring its long-term success. “We believe that local content is critical to ensure that the ripple effects of the activities in the energy sector can be multiplied. For instance, we keep putting special attention on the fact that we need to create decent jobs” highlighted Cesar A. Mba Abogo, the African Development Bank’s Country Manager in Mozambique.

The project's success can also be directly linked to the integration of local feedback and continuous monitoring. Stakeholder engagement and diagnostic assessments have been essential in aligning the interventions with the real needs of women entrepreneurs. This data-driven approach has ensured that resources are allocated effectively and that the program remains responsive to emerging challenges.

### **A future built by women**

The Linkar Program has already changed the lives of dozens of women in Mozambique by giving them the opportunity to play a central role in the energy sector. This is just the beginning. As more women like Juvencia and Teresa break into the sector, they not only enrich their own businesses but also contribute to the broader development of Mozambique. With women at the forefront, Mozambique’s energy sector is not just growing – It’s transforming.

N/A

The success of projects at the African Development Bank, is measured by how well the lives of the project beneficiaries are being improved. That is why the Bank has the sixth edition of its Group's Results Measurement Framework (RMF) which is designed not only to measure the Bank's performance but boost it as well. Measuring impact is not only difficult to attribute results to a single development institution, but the Bank also considers constantly shifting landscape in which Africa faces a broad range of economic, social and environmental challenges. Results measurement methodology is carried out in accordance with the institution's applicable policies and procedures, and the terms of the Financial Partnership Agreement signed between the Bank and We-Fi, relevant grant recipient and the implementing partners. The Bank also applies its additionality and development outcomes (ADOA) tool to assess additionality and how each project contributes to delivering development results. ADOA provides an independent rating embedded in the results measuring methodology. Therefore, result measurements comprise of multiple but interconnected activities. All these initiatives work in tandem to offer consistent, ongoing, and impartial project implementation oversight in pursuit of measuring results. Together, all these activities provide regular, concurrent and independent oversight over project implementation.

The key methodology for measuring results include the following:

- a) For every intervention (or project component) a results chain and the results measurement framework are needed. These two form integral part of the results measurement methodology. The results chain provides a snapshot of the prediction of changes that are likely to happen in every We-Fi supported project. This is also supported by the right mix of quantitative and qualitative indicators which supplement each other by providing evidence of the results achieved.
- b) Within the projects, there are staff responsible for monitoring and evaluation. There are responsibilities according to who is collecting data to measure what, how and when. It is common that the dedicated staff for monitoring and evaluation (M&E) often interact sufficiently with the project implementation staff. This interaction between field and M&E staff is always maintained so that the field staff knows exactly what needs to be measured and M&E staff know how to measure it. Every step of an intervention from the very first moment must be captured to see whether the envisioned chain of results is correct or not, and if not why. This cannot be done with large surveys, but it induces the need for a lot of qualitative information captured through minimal size surveys done in-house, on selected sampling and in-depth interviews.
- c) The results measurement framework identifies which measurements are to be taken by identifying what data needs to be collected, what calculations and comparisons are required to detect changes and make results meaningful. By its nature, the project's results measurement framework is aligned to the We-Fi indicators and reporting procedures. Between AFAWA and the project implementing partners, there is an inter-service monitoring and evaluation consultant that coordinates work in terms of methodological improvements, definition of guidelines and training as well as the harmonization of indicators across all the partners.
- d) One of the major functions of the AFAWA program is to monitor and report on the results and impact of the program interventions of access to finance and technical assistance for WSMEs. This includes a robust monitoring and evaluation system that monitors financial, operational and impact development data aligned with the African Development Bank core indicators and measurement standards as well as addressing a few Sustainable Development Goals (SDGs). All programs develop key output and impact indicators and an M&E results plan at the beginning and establishment of each project/investment benefiting from We-Fi funds. Indicators in use cover the performance of WSMEs before and after the deployment of the envisaged financing instruments and capacity building activities which includes sex disaggregated data with FIs and other financial intermediaries (margins, profits, new products developed, number of loans to WSMEs, number of WSMEs direct and indirect jobs created in both rural and urban), number of new WSMEs activated, number of SMEs benefiting from the financing instruments, number of reforms supported to remove barriers for WSMEs. The development results are tracked on a bi-annual basis through project status reports (based on supervision missions) and measure the progress of the achievement of the ex-ante set targets.
- e) Additionally, the program aims to conduct thematic studies, baseline and impact assessments, and at least one rigorous impact evaluation. These will measure the higher order project development objective (PDO) level indicators and key performance indicators related to effectiveness and impacts of the project. The impact evaluation will measure the causal impact of one or more of the interventions under the program (access to finance, employment opportunities created, and number of new WSMEs) on the well-being of women beneficiaries and their families.
- f) The projects will also come under the purview of an independent party monitoring mechanism to provide external validation and insights arising from the project. These will be through impact evaluations, topic studies, and at least one rigorous impact study. These will track important performance indicators for the project's effectiveness and benefits. The causal influence of one or more program interventions on the wellbeing of program recipients will be measured by the impact evaluation.
- g) As far as possible, We-Fi indicators have been harmonized with those of other implementing partners to simplify client reporting requirements for co-financed operations. Before project implementation starts, AFAWA signs a memorandum of understanding with all its implementing partners to ensure all indicators are harmonized. A further continuous improvement in the results measurement framework is expected, permitting the Bank to contribute more meaningfully to development effectiveness. By focusing on concrete results, as measured by both direct outputs achieved and by broader outcome indicators, this framework enables the EIB to better assess, monitor and report on the Bank's contribution to mandate objectives and development goals.
- h) The projects make use of the indicators listed in the framework for measuring We-Fi results. The main performance indicators are standardized and made consistent across all partners, the Bank, and We-Fi by incorporating partners and service providers into the M&E plan. After that, partners develop their own unique results-based frameworks and M&E plans in accordance with We-Fi's M&E strategy. However, partners also have their own indicators that they use for internal evaluation or to gauge their own performance in respect to project objectives.

#### **WSME beneficiaries**

- ***Does the IP collect data on disbursed or outstanding loans?***

Yes, implementing partners are required to collect data on both disbursed and outstanding loans. Systems have been put in place that, on a quarterly basis, partners are required to report to the AFAWA Secretariat. Partners must report on all the indicators for which they have signed an agreement. For example, indicator number 2 in the We-Fi results measurement requires data on the amount of financing provided to women-owned/led SMEs by We-Fi-supported financial service providers. Likewise, indicator number three is about the number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions. When reporting, the implementing partners are always advised to report on the volume of loans disbursed to the intended WSMEs beneficiaries. Though the reports are intended to provide a blanket figure of disbursed and outstanding loans, the implementing partners are advised to keep detailed information about the disbursements and/or outstanding loans. Such data includes the date of entry for a disbursement, beneficiaries' details, the amount debited or credited, the payment method, and the purpose

of the loans, among others. Though supervision of the implementing partners has not been conducted yet, such records will be verified when supervision missions are done.

- ***Does the IP track data only on the lending facilitated by We-Fi funding or does the IP track the change in the overall portfolio of an FI?***

The African Development Bank tracks the overall changes as well in the FI portfolio. The We-Fi components are backing or are embedded in larger African Development Bank's transactions for which a set of more comprehensive data are collected.

The overall portfolio of the FIs is being monitored and assessed by the IP's portfolio officers. This comprehensive set of data are being revised during the supervision missions organized with the African Development's teams.

***Are there differences in the methodology employed based on the type of investment instrument utilized (e.g., loan vs guarantee)?***

When reporting on such data, the implementing partners use the same technique regardless of the type of investment instrument they use. When reporting partners are tasked with breaking down their data into different categories, such as loans, grants, equity investments, digital financial services, insurance, IP contribution, public sector contribution, and directly mobilized private sector financing, they should also clarify any additional funds that have been mobilized.

***Co-Funding (mobilization)***

- ***Please describe how the IP calculates co-funding (mobilization). Explain if there are differences between various types of projects (e.g. investment vs advisory activities).***

Co-funding is the term used to describe the required amount that project partners provide to the project's overall cost. This might be given in kind or in cash. As a result, the Fund's resources are more effectively used, and project ownership is fostered.

In addition, the catalytic effect of the We-Fi resources leveraged on a given project is also accounted for as resources mobilized from AFAWA's implementing partners and clients.

N/A

See Excel file attached.

## ANNEX VIII. PROJECT SUMMARIES

### ENHANCING DIGITAL ACCESS TO FINANCE FOR WOMEN BUSINESSES

**Project Type: Technical Assistance**

**Project Start Date: June 2024**

**Geographical Focus: Malawi**

**Project End Date: May 2027**

**We-Fi Funding Committed: \$265,000**

**Total project size: \$285,000**

*Project with NBS Bank*

#### CONTEXT:

##### **Brief overview of the main challenges and gaps the project will tackle.**

Most Malawians live in rural areas and rely on farming activities for the most part of their income. Only a few have access to bank accounts. Nearly six million out of a total adult population of 7.6 million in Malawi are unbanked according to the 2021 Malawi Findex Report. Access in rural areas is limited, with 27 percent of the population having bank accounts against 68 percent in urban areas. Malawian women are also significantly less likely to have access than men; 27 percent of women versus 37 percent of men have bank accounts.

NBS has a strong footing in the rural SME agricultural sector of Malawi. Therefore, the provision of Technical Assistance funding to NBS Bank PLC Malawi ('NBS'), is to expand its lending to the underserved women owned and led enterprises (WSMEs) in Malawi by enhancing its digital banking platform to improve its due diligence repository and credit scoring process in advancing loans to rural women owned/led enterprises (WSMEs).

The NBS *banki pafupi* digital value proposition, a pioneer in the market was introduced in 2017 to serve women businesses using mobile and agency banking to ease payments whilst promoting savings. NBS is focused on growing its outreach to cooperatives and women SMEs. This TA intervention will enable NBS to identify export oriented WSMEs to benefit from the Trade Guarantee. Though the features of Pafupi Savings address many of these barriers, educating potential women clients on these features is an ongoing process. The partnership with AFAWA will utilize the existing pafupi digital platform to expand financial inclusion among women enterprises and encourage the use of additional formal financial services such as credit and insurance.

#### CLIENT/PARTNER DESCRIPTION

##### **Brief overview of the client/partners.**

Founded in 1964 as a building society, NBS Bank became a bank in 2004 and is a leading retail bank, ranked fourth out of the 12 commercial banks in Malawi, with over 454,000 clients – 31 percent women and 50 percent rural. NBS Bank takes pride in being the “caring bank” and having a pro-rural approach with a strong commitment to drive financial inclusion. NBS’ mission is to add value to all their stakeholders by offering an innovative range of banking products through efficient business processes and empowered and caring staff. The institution offers a full suite of products and services including savings accounts, credit products, foreign currency deposit accounts (FCDA), trade finance products, Visa cards, ATM cards, foreign exchange facilities and value-added services including bill payment, internet and SMS banking.

#### PROJECT DESCRIPTION

- **What are the key objectives and focus areas?**

NBS Bank’s entry into the savings market for rural women using the pafupi product supports the business case for greater financial inclusion. The intervention will enable NBS provide access to finance for 1,000 WSMEs businesses and unlock USD 5 million in lending in the next 3 years and support outreach to more rural unbanked communities reducing the gender funding gap in Malawi.

- **What are the key project activities and milestones?**

This technical assistance intervention will enable NBS to become a first mover in an underserved women’s market segment through providing digital solutions tailored to increase credit for WSMEs. Additionally, the TA contributes to non-financial additionality that relates to capacity building to NBS and targeted WSMEs which provides end to end support needed to overcome the bottlenecks faced in lending to Women SMEs. This will ultimately unlock financing to Women SMEs through enhanced customized value propositions and non-financial services that builds a pipeline of bankable WSMEs.

- **What is the specific use and the role of the We-Fi contribution (if there are multiple funding sources)?**

The Bank through We-Fi funding will provide a non-reimbursable grant to support the TA project outputs and activities. This project advances We-Fi’s objective of utilizing digital financial solutions as an enabler to increase access to capital for WSMEs –including providing non-financial services to improve WSMEs bankability and productivity.

- For blended finance projects – explain the investment structure and instruments used, and how the IP applies the blended finance principles.

#### IMPACT:

##### **Brief narrative on the expected impact on WSMEs.**

The facility will increase access to trade finance, providing NBS with additional funds to support trade finance transactions and thereby enabling SMEs in Malawi to access the financing they need to support economic growth and job creation. By providing SMEs with access to trade finance, the facility can help to increase exports from Malawi, boosting the country's foreign currency earnings and improving its balance of payments. Lastly, by providing trade finance to SMEs, the facility can support economic diversification in Malawi, reducing the country's dependence on a few key exports such as tobacco and tea, and increasing the economy's resilience to external shock.

#### TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

List the projected targets for the **number of WSMEs reached** and other relevant indicators (for example, for A2F projects include targets for the number and volume of loans to WSMEs). The We-Fi Secretariat may aggregate these figures for portfolio analyses but will not share individual project targets.

We-Fi Indicator	Target
WSMEs that have accessed finance over the last two years	2,000
WSMEs which are formally registered, have financial statements, business plans and other related documentation required for bankability	3,000

See Excel file attached.

See Excel file attached.