



# Introducing the WE Finance Code

Over 400 million women entrepreneurs around the world have vast potential to grow their businesses, add value to the economy, and create jobs, but they lack the financing to achieve their goals. They represent a \$1.7 trillion growth opportunity for financial service providers (FSPs) and \$5-6 trillion in potential value addition to the global economy.



## The Code

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

Organizations can participate in the Code in a growing number of pilot countries or through a global mechanism. Code participants commit to:

### LEADERSHIP

Designating a member of their senior management team to champion the organizations' efforts to support women-led businesses

### ACTION

Expanding and introducing new measures that will support women entrepreneurs

### DATA

Monitoring and reporting annually a commonly agreed set of indicators on the level of financing provided to WMSMEs or supporting others' efforts to do so

## Why commit to The Code?



### Financial Service Providers

- Greater access to under-served growth segment
- Recognition by clients, staff, investors, and ecosystem
- Improved data-driven decision making and financial services for WMSMEs
- Access to cross-sector networks and learning



### National Actors

- Increased financial inclusion of WMSMEs
- Improved data and data-driven policymaking
- Improved incentives and alignment across the ecosystem
- More diverse leadership in the financial sector



### Investors & Other Stakeholders

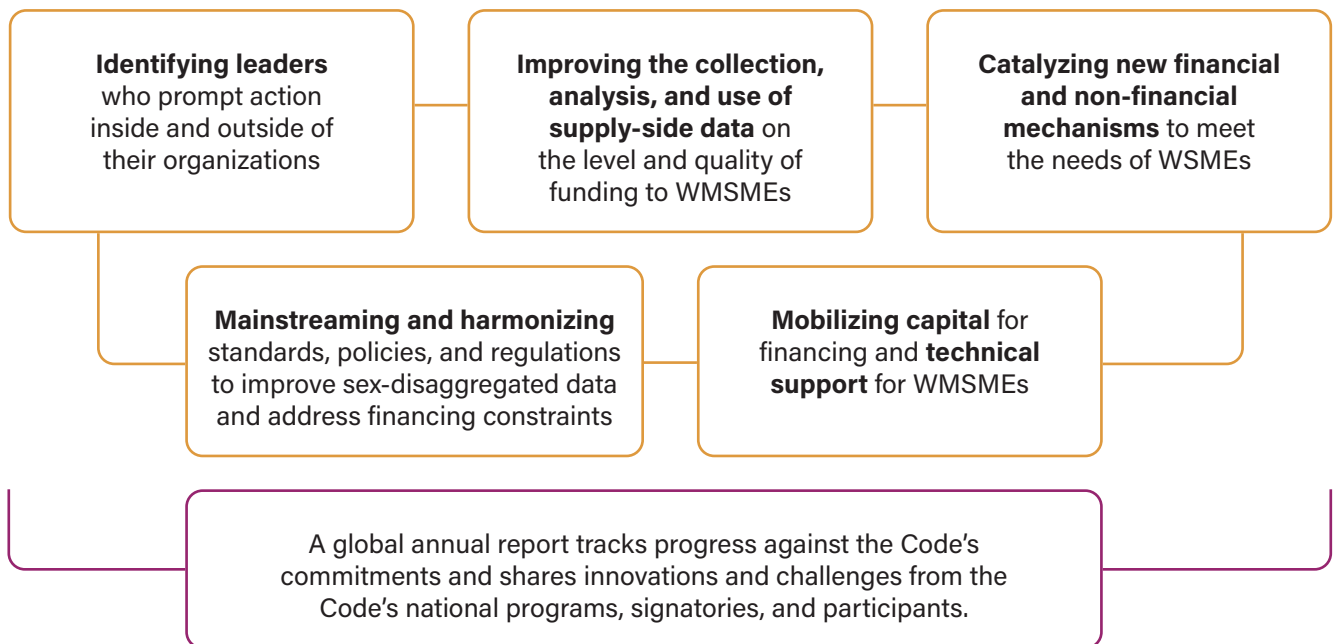
- More impact and gender-lens investment
- Greater gender equality and women's economic empowerment & leadership
- Increased harmonization and standards globally
- Stronger evidence, data and know how related to sex-disaggregated data.



# Country Pilots

The goal of the WE Finance Code is to increase funding provided to WMSMEs around the world, so that they can grow and add value to the economy and their communities.

The Code drives systemic change in how women entrepreneurs are financed by:



## Launching the Code in country

**Local champions are encouraged to build national public-private coalitions to introduce the Code in their country.**

These coalitions adapt the Code's flexible framework to the local context, ensuring national relevance and uptake. They establish WMSME definitions and data reporting guidelines and use established channels to track and report progress.

National Coalitions have four common characteristics:

- 1 A public declaration of intent** to introduce the Code in country, adhering to the minimum guidelines of the Code's global framework.
- 2 Governance** that creates oversight and accountability for local adoption of the Code.
- 3 Designated coordinator** to oversee local implementation and interface with and report to the Code's global coordinator.
- 4 A mechanism to aggregate data** with integrity and in a format that will facilitate mainstreaming over time.



# Financial Service Providers

To participate in the Code, FSPs sign a letter specifying their commitments related to leadership, action, and data. After a one-year grace period from signing, they are expected to report progress on their commitments and on the Code's core indicators annually to a trusted local entity.

FSP participants may include banks, non-bank financial institutions, microfinance institutions, fintechs, funds, angel networks, insurance companies, and the like.



## The Code Letter of Commitment

“The FSP endorses the Code and will work together with partners and other stakeholders to provide leadership, improve data, and take actions that will help eliminate constraints and financing gaps for women entrepreneurs. As a Signatory in the Women Entrepreneurs Finance Code, it will:

- ✓ Designate a senior leader to champion the organization's efforts to support women-led businesses
- ✓ Expand and introduce measures that will support women entrepreneurs
- ✓ Track a commonly agreed set of indicators on the level of financing provided to women-led firms

The FSP will report on these commitments and indicators to an agreed aggregator after a grace period for inclusion in the WE Finance Code global annual reports and will make its commitment public.”

## Core Indicators to be sex-disaggregated

- MSME customers #
- MSME outstanding loans #
- MSME loan applications and approvals #
- MSME NPLs %
- MSME deposits and depositors #

## Potential benefits for FSPs

- ✓ Strengthened focus and performance in an underserved growth segment
- ✓ Improved data-driven decision making and financial services for WMSMEs
- ✓ Recognition by clients, staff, investors, and ecosystem for commitment to promote access to finance for women entrepreneurs
- ✓ Access to technical assistance, research, knowledge and data on financial inclusion and women's entrepreneurship
- ✓ Engagement with other Code participants including development banks, policy makers, FSPs in peer learning forums and events

Signatories can display the WE Finance Code icon on websites and other print or digital collaterals and they will be featured as Code signatories in global reports.

# Ecosystem Participants

Many other stakeholder types can participate in the Code at the national or global level. Ecosystem partners also commit to identifying champions, taking action, and supporting data collection efforts. They can help advance the goals of the Code in many ways:



## Investors and Development Finance Institutions

Provide gender-lens financing and capacity building for FSPs and regulators

Engage in high level advocacy and policy dialogue



## Standard Setters, Global Organizations and Advocates

Promote data standards, mainstream data collection

Improve use of data and analytics for business case and financial inclusion policy



## Donors and Knowledge Partners

Support data collection and analytics

Provide risk capital and technical assistance

Support innovation and impact evaluation

## About the Code

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

The Women Entrepreneurs Finance Initiative (We-Fi), housed in the World Bank, coordinates the Code with its Implementing Partners and other global partners. A Global Advisory Group advises on implementation and governance.

## Country pilots launching in 2024 - 2025

We-Fi Implementing Partners are supporting the following countries to pilot the WE Finance Code: Albania, Bosnia and Herzegovina, Côte d'Ivoire, Dominican Republic, Egypt, Fiji, Ghana, Indonesia, Jordan, Kazakhstan, Kosovo, Kyrgyz Republic, Madagascar, Mongolia, Montenegro, Morocco, Mozambique, Nigeria, North Macedonia, Rwanda, Senegal, Serbia, Sierra Leone, Somalia, Sri Lanka, Tajikistan and Uzbekistan.

To learn more about how to participate in the Code or launch a country pilot visit

[www.wefinancecode.org](http://www.wefinancecode.org)

We-Fi Implementing Partners

