

Empowering Women Entrepreneurs in Malawi's Care Economy

Country Context

Malawi's population dynamics are creating urgent care needs across generations. According to World Bank estimates, over 40% of Malawi's population is under age 15, and the fertility rate remains high at 3.6 children per woman, creating a surge in demand for early childhood care. At the same time, improved healthcare access has contributed to increased life expectancy (now over 65 years), and traditional eldercare arrangements are being disrupted in urban centers as more families shift toward dual-income households or migrate for work, slowly increasing demand for formal eldercare services.

Globally, the care economy is a major source of female employment, yet remains informal, underfunded, and undervalued. The International Labour Organization (ILO) estimates that care work accounts for 11–18% of all employment in low- and middle-income countries, with over 76% of the workforce being women (ILO, 2018). However, most of this labor is informal, especially in low-income countries where childcare and eldercare are often provided through unlicensed centers or domestic arrangements without legal protection. Informality inhibits access to credit, reduces incentives for professional development, and weakens labor protections such as maternity leave, wage standards, and social insurance. These constraints reinforce a low-investment, low-productivity equilibrium that limits both job quality and service quality.

Investing in care has a proven “double dividend” for gender equality and productivity. Studies show that expanding childcare and eldercare can increase women's labor force participation while creating new jobs in a female-dominated sector, where women make up nearly 80% of the global paid care workforce. According to ILO data, 708 million women globally in 2023 were not in the labor force due to caregiving responsibilities, compared to just 19 million men—highlighting a stark gender gap in unpaid care work. This aligns with Malawi's experience, where women's unpaid care responsibilities continue to constrain their economic participation.

Civil society organizations in Malawi are increasingly advocating for formal care solutions. The Malawi Network of Older Persons' Organisations (MANEPO), for example, is piloting community-based eldercare models while advancing policy reforms for aging populations. Similarly, the Early Childhood Development Coalition (ECDC) has emerged as a leading voice in formalizing childcare services, helping structure and representing a growing network of providers.

In parallel, there is growing momentum to professionalize and scale the care sector through private enterprise. ECDC, now the country's leading childcare association, has expanded its membership from just 9 in 2017 to 34 in 2024. This group anchors the most organized segment of Malawi's childcare market. Yet demand continues to outpace supply: many community-based childcare centers (CBCCs) operate without licensing, adequate infrastructure, or consistent training standards. At the same time, new university-level early childhood programs are emerging, and large employers—including IFC clients—have started exploring workplace-based childcare and eldercare solutions. These converging trends point to a unique opportunity to formalize, finance, and scale high-quality care enterprises across Malawi's urban and peri-urban areas.

PROJECT DESIGN

The project design is centered on the following principles:

- Stakeholder Consultations: Engage ministries, coalition members, financial institutions, and private employers to refine delivery arrangements, including representation from the emerging eldercare sector.
- Eligibility Criteria Definition: Confirm that fee-based NGOs and social enterprises, including those in eldercare, qualify as formal SMEs.
- WB operational leverage: Align outputs with the interventions under component 2 of the forthcoming M THRIVE operation.

Component 1: Policy and legal reform

This component will facilitate the legal and operational formalization of care providers and boosts their visibility with clients and institutional partners. It will be implemented in partnership with the Child Affairs and Elderly Affairs Bureaus of the Ministry of Gender, Children, Disability and Social Welfare.

Activities:

- Review of the legal and regulatory framework for care sector including licensing, certification and compliance monitoring regimes, with recommendations on aligning with good practices.
- Capacity building of the relevant bureaus in the Ministry.
- Public Directory of Certified Providers: Launch a registry of licensed care providers—both child- and elder-focused—maintained by relevant government bodies.

Component 2: Firm Incubation and Access to Finance

2a. Incubation and capacity building

This component will develop a pipeline of investable and skilled care enterprises—both in childcare and eldercare—through a tiered incubation and training model. Graduates will gain access to initial grants (financed by We-Fi funds) and further graduate into access to formal commercial financing through lines of credit and guarantees provided by the project. This component will be embedded into the National Associations - ECDC and MANEPO – to build a sustainable model of support.

Activities:

- Basic Training (Tier 1): Structured foundational business and caregiving modules for aspiring entrepreneurs in childcare and eldercare. A nominal participation fee will be charged to filter for commitment.
- Advanced Training & Coaching (Tier 2): Graduates of Tier 1 will receive tailored coaching, digital upskilling (e.g., mobile payments, scheduling, client management), and business formalization support. Existing care providers can directly gain access to advanced training, provided they meet the eligibility requirements. In addition, certified childcare and eldercare providers will be matched with employers interested in offering care services for staff.

2b: Matching Grants and Access to Finance

This component will offer tiered, performance-based financing to eligible care businesses.

Activities

- **Matching Grants:**
 - **New Entrants:** Small grants to launch care businesses that graduate from Tier 2 training.
 - **Existing Providers:** Larger grants to formal, growth-oriented childcare and eldercare WSMEs, disbursed in tranches against verified performance milestones.
- **Financial Product Development:** TA to FIs to develop and pilot care-sector-specific financial products.
- **Pathways to Commercial Finance:** Link high-performing grantees to larger-scale financing instruments (e.g., Malawi Agricultural and Industrial Investment Corporation (MAIIC), PCG under M-THRIVE).

STRATEGIC PARTNERS AND BENEFICIARIES

The project will be led by the World Bank, in collaboration with key national and local partners. Throughout implementation, the team will coordinate closely with the IFC to identify bankable care enterprises for potential investment or advisory support. The project will also explore opportunities to establish childcare and eldercare facilities within the premises of IFC client companies, particularly those seeking to support working parents and enhance employee wellbeing.

Government alignment will ensure sustainability. The Ministry of Gender, Community Development and Social Welfare (MoGCDSW), in coordination with the Ministry of Industry and Trade, will provide policy oversight, align the program with national care economy and SME development strategies, and facilitate regulatory coordination across government agencies. Their involvement will also help ensure that care providers supported under the project can access relevant public programs, licensing channels, and potential government procurement opportunities.

Implementation will draw on a wide range of stakeholders from the private sector and civil society, with partnerships tailored to each component:

- Coalition associations such as the Early Childhood Development Coalition (ECDC) and Malawi Network of Older Persons' Organisations (MANEPO) will serve as key intermediaries for outreach, incubation, and sector-level capacity building.
- TVET colleges, universities, and digital content providers will support the design and delivery of digital education, training modules, and structured mentorship.
- Private sector employers and cooperatives will be engaged to create demand-side linkages, including workplace-based care models and market access opportunities for care entrepreneurs.
- CSOs and women's business networks will play a critical role in community-level outreach, awareness-raising, and ensuring local accountability mechanisms are in place.
- Microfinance institutions (MFIs) and development finance institutions (DFIs), including NEEF and MAIIC, will be engaged for financial product development and linkage to commercial finance.

A dedicated project coordination team will manage sequencing, and reporting, while ensuring that lessons learned feed into the care economy sub-component of the broader M THRIVE operation. This will ensure strategic alignment, scalability, and long-term sustainability of the initiative.

Supporting Women Entrepreneurs in Lesotho's Care Economy

Country context:

After years of sluggish growth, Lesotho is at a crossroads. To boost its economy and create more jobs, the country needs a stronger, more vibrant private sector. And in many ways, that future lies in the hands of women. Most of Lesotho's entrepreneurs are women — running farms, shops, and small manufacturing businesses across the country. Yet, their businesses tend to be smaller, employ fewer people, and operate in sectors that earn lower profits.¹ Cultural norms and gender biases often discourage women from pursuing larger, riskier ventures. Limited access to training and mentorship further hampers their ability to scale their businesses. Without targeted support the potential of women entrepreneurs to drive inclusive economic growth will remain underutilized. Lesotho's employment crisis is particularly acute for women, who face higher unemployment rates and more severe barriers to labor market participation than men. As of 2024, the official unemployment rate for women stands at 22.4%, with broader measures and recent surveys show the gap is widening with women's unemployment rate at 31.1% compared to 27.1% for men.

Research has shown that time spent managing household tasks, supervising children, or tending to elderly relatives takes away from time managing and growing a business.² It is also estimated that WSMEs with care obligations can result in 48% lower profitability in some situations due to 'time poverty' compared to other women-led business without the same care obligations.³ According to the Women Business and the Law (WBL) expert survey in Lesotho, 60% of experts indicated that almost no women have access to affordable and quality childcare services.⁴ World Bank data finds that in Lesotho, women spend nearly 16% of their time on unpaid care and domestic work compared to 6% for men.⁵

Program Design and Key Activities:

We-Fi funding would be used to amplify the government of Lesotho's Competitiveness and Financial Inclusion (CAFI) project which is financed by the World Bank / IDA (P175783) and implemented by Lesotho's Ministry of Trade, Industry, Business Development and Tourism. CAFI's development objective is to increase access to business support services and financial products targeted at MSMEs and entrepreneurs, especially women and youth.

1) Incubate and improve the capacity of women care entrepreneurs:

- Currently CAFI's incubation cycles are implemented by local Enterprise Support Organizations (ESOs) however are sector agnostic. We-Fi funding would be used to improve ESOs capacity and resources to target and effectively support women care entrepreneurs in the childcare and eldercare sectors

¹ <https://blogs.worldbank.org/en/african/from-inclusion-to-growth-how-womens-financial-access-can-fuel-lesothos-economy-afe-0525#:~:text=it%20finds%20that%20while%20the,the%20World%20Bank%20Enterprise%20Survey>.

² Delecourt, Solène and Anne Fitzpatrick. 2021. "Childcare Matters: Female Business Owners and the Baby-Profit Gap." Management Science (forthcoming).

³ <https://www.ifc.org/en/what-we-do/sector-expertise/gender/inclusive-employment-and-leadership/care2equal> and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3830932

⁴ <https://wbl.worldbank.org/content/dam/documents/wbl/2024/pilot/WBL24-2-0-Lesotho.pdf>

⁵ <https://www.worldbank.org/en/data/interactive/2024/03/11/gender-divide-unpaid-care-and-domestic-work-across-afe-afw-africa>

throughout the country. It would also ensure the incubation programs would include support for entrepreneurs to meet standards and licensing requirements to deliver quality and sustainable services with the necessary safeguards in place. By improving the capacity of CAFI's incubation program to design and tailor the care specific incubation cycles it will ensure that women care entrepreneurs have the skills and tools needed to develop or improve the quality and sustainability of their care business. In addition to supporting already tested or franchise models, incubation would target women entrepreneurs who seek to develop new, innovative, or scalable models in the sector. It is estimated that 75 women care entrepreneurs would be supported over multiple incubation cycles over the next 3 years.

2) Unlock finance for women-led care businesses

- In addition to the grant support which entrepreneurs receive through the incubation process, We-Fi funding would also help unlock finance for already established women led care businesses (estimate 30 WSMEs) by extending CAFI's matching grant program to fund WSMEs in the care sector. Through the matching grant program, eligible care WSMEs would be able to acquire equipment needed in addition to digitization support to enable them to grow and scale their businesses. Finally, at least two We-Fi supported women care entrepreneurs with high growth potential would also be eligible for the seed financing facility which is being established by CAFI.

3) Improving access to markets through direct linkages, innovation challenges, and opportunity identification to fulfill untapped demand.

- 'Time poverty' continues to persist in Lesotho due to lack of available care services, preventing women in Lesotho from participating in or creating economic opportunities. We-Fi funding would be used to address these care market gaps by working directly with the textile and horticulture clusters which are part of the CAFI project, as well as identifying other opportunities. Market linkages to these clusters could be strengthened through the tailored incubation provided by the ESO, as well as through innovation challenges / competitions which seek to address care gaps faced.
- Market opportunity mapping would be carried out to identify other unmet care service needs which would be 'matched' with women led care service either through the incubation program or growth of existing WSMEs providing care services. For example, a recent Japan International Cooperation Agency (JICA) and Quality Infrastructure Investment Partnership found that 41% of women traders have no further plans to expand into international markets compared to (33%) of male trader. Moreover, 83% of women traders experience issues with the amenities at the border. Through the market opportunity mapping, the project in coordination with the Lesotho Integrated Trade, Transport and Logistics project (P502125) could for example explore how to support women traders, especially cross border traders who might benefit from care services. Their service needs could be at the border posts or could also be at the markets or communities where they conduct business.

Institutional Arrangements and Strategic Partnerships:

The CAFI project is uniquely positioned to support both the proliferation and scaling of women-led care businesses through incubation and access to finance, in addition to enabling access to markets through

CAFI's sector work in horticulture and textile & apparel clusters. By working through the CAFI project, We-Fi funding would help unlock finance and access to markets for women care entrepreneurs by amplifying the reach, funding, and support programmed through CAFI. The Managing Director of CAFI has reviewed the proposal and is supportive, accordingly these institutional arrangements have already been confirmed.

To date, among other activities, CAFI has launched 3 incubation cycles, through local ESOs, supporting 150 entrepreneurs (50 per cycle). Of these 150 enterprises, 92 are women-led (61%) and 111 are youth-led. In addition, CAFI has provided matching grants to 138 enterprises to improve their operations, increase productivity and enhance their competitiveness. Among the assisted enterprises, 70 (57%) are women-led and 24 are youth-led. In addition to matching grants the project is in the process of launching a seed financing facility to provide risk capital to high potential entrepreneurs. We-Fi funding will build on CAFI's know-how and reach through ESOs which will be well positioned to identify and support women-led care businesses in Lesotho.

CAFI has an important role in enabling access to markets for women-led care businesses. CAFI supports the textile & apparel clusters, which is made up of 35 firms with exports of over \$300 million annually with the aim of transitioning those businesses to more value-added activities. In addition, CAFI established the Lesotho Horticulture Incubation & Training Centre, which is the hub for a nascent horticulture cluster and packing facility. Both clusters have significant growth potential and are key employers of women, which would benefit from care services to improve women's access to job opportunities and support employer retention objectives. CAFI's exposure to multiple sectors enables it to support access to markets and other opportunities for women-led care businesses.

Creating a Market to Unlock Childcare Entrepreneurship in the Republic of Congo

Country Context

The average family in Congo has more than four children. Yet, according to UNICEF, only a third of children aged 3–5 have access to early childhood education programs. For children under the age of three, access is even lower. For the fortunate few, private daycare centers exist, but fees can exceed \$100 per month—an expense out of reach for most families, as the minimum wage in Congo hovers around \$150 per month. Public or subsidized childcare facilities are few and far between. The lack of affordable childcare poses a significant constraint to women entrepreneurs, while also undermining early learning and school readiness for the next generation.

There is a clear economic rationale to use concessional finance to unlock the market for affordable childcare in Congo. The initial pilot has demonstrated that there is strong demand for affordable, quality childcare, and that daycare centers are viable as businesses in dense urban settings. However, concessional finance is needed to (1) complete regulatory reforms for childcare entrepreneurship to take off, (2) train an additional 100 childcare entrepreneurs in Congo’s main urban centers Brazzaville and Pointe-Noire, and (3) organize these entrepreneurs into a cooperative. Were this proposal to be successful, We-Fi funding would crowd-in IDA resources, as well as private sector financing.

Program Design and Key Activities

The *Social Protection and Youth Economic Inclusion Project* (SPYEIP) supports micro-entrepreneurs with cash grants, training and coaching, following the graduation model that has been successfully evaluated in multiple country settings (Banerjee et al. 2020). Traditionally, micro-entrepreneurs, most of whom are women, have chosen saturated sectors such as hairdressing and tailoring where profit margins are slim. The lack of affordable, quality childcare constrains women entrepreneurs’ ability to invest time and resources in scaling their businesses.

With funding from the *Invest in Childcare Initiative*, the SPYEIP task team initiated a workstream on childcare entrepreneurship. To date, the team has been able to:

- (1) develop a certified 3-month training curriculum for childcare entrepreneurs, covering early childhood development (ECD), entrepreneurship fundamentals and safeguards in close collaboration with the Ministry of Social Affairs, Solidarity and Humanitarian Action (MASSAH) and the Ministry for Vocational and Technical Training,
- (2) define realistic quality standards for daycare businesses, as well as monitoring arrangements for MASSAH,
- (3) select and train a first cohort of 16 “*mamapreneurs*” who passed written and applied exams administered by MASSAH, as well as a two-week internship in a public daycare,
- (4) open the first daycare center which includes 3 classrooms, with two additional locations about to open.

The first daycare center has demonstrated that there is strong demand for affordable, quality childcare, with customers paying around US\$ 30 per month per child, allowing the mamapreneurs to break even. This proposal aims to build on that experience to demonstrate that childcare entrepreneurship is scalable.

Component 1: Scaling childcare businesses

1.1 Training & capacity development for women entrepreneurs

The aim is to train an additional 120 mamapreneurs, so that 100 “graduate” and set up 20-25 daycare centers in Brazzaville and Pointe-Noire, Congo’s two primary cities. Most daycare centers will have multiple classrooms and be in strategic locations (such as markets and/ or institutions that deliver technical and vocational training) to ensure easy access to young women entrepreneurs/ apprentices who would benefit from affordable, reliable childcare. IDA financing will cover the cost of the start up grant for the mamapreneurs, while TF resources will finance the implementation partner to deliver the training, coaching and organizing the mamapreneurs into two cooperatives in Brazzaville and Pointe Noire. We aim to continue working with MEDRAC Africa, who has been our implementation partner to date, and has delivered excellent work.

1.2 Technology to enable quality & scale

ECD Connect, a South African social enterprise has developed a license-free, customizable digital application to assist ECD practitioners with some of the more cumbersome aspects of their jobs. The app has the following functionalities: (1) it reduces the cognitive load of managing childcare businesses, (2) it provides useful tools for child development such as lesson plans and educational content and (3) it assists with monitoring and user feedback. We have already discussed a potential partnership to translate their app into French and customize it for the Congolese context. A digital app and phones/ tablets are crucial for the scale-up early childhood development programs and more efficient monitoring.

Component 2: Policy Development and Partnerships

2.1 Policy development

This component will build on the existing partnership with MASSAH to deliver an enabling policy environment for childcare businesses. Specifically, this will include continued work on regulations related to quality standards, licensing and training for childcare entrepreneurs and cooperatives. This will include policy dialogue and development with MASSAH, the Ministry for Primary Education, the Agency for SMEs and the City Governments for Brazzaville and Pointe Noire.

2.2 Private sector partnerships

Traditional banks in Congo perceive WSMEs as high-risk clients due to their lack of credit history and formal financial statements. To counter this perception, the project will conduct outreach and capacity-building for banks and microfinance institutions to understand childcare businesses and encourage non-traditional assessment of collateral and sector-specific risks to unlock financing for more business to be able to enter the sector.

Component 3: Monitoring & Learning

For the existing pilot, DEC colleagues are conducting regular monitoring to understand and improve various aspects including (1) the viability of the daycare centers as small business, (2) the impact of attending daycare on early childhood development outcomes, and (3) parents’ labor force participation. Surveys have already been developed to cover all of these aspects. They will continue to be administered to the larger sample should this proposal be successful.

Institutional and Implementation Arrangements:

The institutional arrangements have already been established under the initial pilot and include the MASSAH as the lead government partner, and MEDRAC Africa as the local implementing partner to deliver training and coaching of the mamapreneurs.

Strategic Partnerships:

To enable systemic change and market development we aim to build on existing partnerships with MASSAH and municipal governments. The task team already has a partnership with one microfinance institution, which currently provides banking services for the initial pilot cohort. The team will aim to extend the partnership to other banks and micro-finance institutions to deepen their understanding of the care economy and unlock financing for other businesses. In terms of social enterprises who are active in this space, the task team has an existing partnership with Kidogo, a Kenyan social enterprise who is a pioneer on childcare entrepreneurship and ECD connect for enabling tech.

SUPPORTING THE CARE ECONOMY IN TAJIKISTAN

Country Context

Three recent diagnostics around the demand for childcare, the women entrepreneurs' constraints, and the legislation on childcare in the country⁶ present key trends and challenges. The demand for childcare is high and parents are ready to pay for it. A positive shift in socio-cultural attitudes toward women's participation in income-generating activities is increasing the need for childcare services. In addition, childcare services are recognized and valued by households for their benefits on early education. However, limited availability (especially in rural areas) and high costs frequently constrained the actual uptake. Respondents expressed particular interest in low-cost, community- or family-based models, provided that caregivers were trusted and possessed relevant qualifications.

Women entrepreneurs in the childcare and early education sector⁷ face many barriers. The three main barriers are: access to finance, regulation barriers and skills. **(i) Access to finance:** Most Public grant funding is directed toward traditional sectors such as handicrafts and textiles. In addition, women entrepreneurs face collateral constraints, insufficient capital, and limited access to bank loans due to risk-averse financial institutions and complex eligibility criteria. **(ii) Regulation Barriers:** Centralized licensing processes impose substantial financial and logistical burdens, requiring rural entrepreneurs to cover travel, accommodation, and procedural costs for inspections. Furthermore, alternative models such as playgroups or informal care networks lack legal status, preventing potential providers from formalizing operations and limiting the diversity of service options available to communities. Access to accurate and up-to-date legal information is limited, and inconsistent guidance from authorities creates uncertainty and risks of non-compliance. Tax policies are rigid and often fail to differentiate between profit-driven and socially oriented early childhood education and care (ECEC) centers, while curriculum approval processes necessitate alignment with state frameworks, limiting flexibility. **(iii) Skills and Capacity Gaps:** Low financial literacy including knowledge of budgeting, credit management, and business planning undermines the sustainability of women-led ECEC enterprises. Access to professional development and certified teacher training is insufficient, particularly for private sector providers.

The objective of the grant is to support the scale up and development of women led businesses that provide care services in Tajikistan, with a focus on stimulating job growth in childcare. The We-Fi grant will contribute to lift the key challenges described above by supporting reforms of key regulations that will facilitate the development of private investment in the childcare sector; by developing the skills of women entrepreneurs working in the childcare sector; by increasing access to financing instrument of women led businesses in the care industry.

Program Design and Key Activities

The grant will focus on four components: i) Regulatory framework; ii) Workforce development; iii) Access to finance; and iv) Evaluation.

Component 1: Regulatory Framework. The component will include technical assistance and policy dialogue to support the development and adoption of regulations on: i) accreditation, management and supervision of community level childcare services; ii) licensing and inspection mechanisms of early childhood education facilities; iii) taxation of social businesses and iv) Public Private Partnerships (PPP).

⁶ The assessment of the current and project demand for childcare in Tajikistan (World Bank, Aug. 2025), The review of women entrepreneurs' constraints in the childcare sector (World Bank, Aug. 2025) and the Review of the legislation on childcare (World Bank, July 2025)

⁷ Childcare under this grant follows the same definition as the one used under the Early Learning Partnership Trust Fund.

This component builds on the ongoing work being done under the “Invest in Childcare” call of the Early Learning Partnership Trust Fund (ELP TF)⁸ and the Early Childhood Development (ECD) project (P169168) led by the World Bank EDU team.

Expected deliverable: (1) recommendations and draft regulations to facilitate private investment in the childcare sector. The topics of focus could be on: accreditation/licensing of different types of childcare and ECD businesses, inspection, and quality control of childcare and ECD businesses, taxation, and PPPs.

Component 2: Workforce development. International experience⁹ shows that supporting women in community level childcare development requires training them on child development and entrepreneurship. Entrepreneurship training is much more impactful when tailored specifically to the childcare businesses.

The ECD project is supporting the government to develop community childcare facilities by training the workforce at the technical level and providing equipment for women to open these facilities. The vision is for this service to be privately run like a business. To support this transition, a partnership was formed between the ECD project and the Economic Inclusion Program (that is being piloted under the Social Protection Modernization and Economic Inclusion (SPMEI) Project (P178878)). The Economic Inclusion Program will support from early 2026 some of the women entrepreneurs who have been trained on child development under the ECD Project to start up their childcare services. In this program, the women will receive a regular entrepreneurship (business) training for self-employment and a small grant.

The activity financed under this component will leverage this experience to increase the sustainability and scale of the women led childcare businesses in the country. Under this component a childcare business management training program will be developed and piloted to women who have an existing childcare business they would like to bring to the next level. The business management program will consist of several training modules covering the following topics: Personal leadership, how to manage your money, How to run childcare like a business, How to achieve sustainability, What it takes to provide quality early learning, The steps to get registered, How to work smarter, using technology, How to access finance to grow your business. At the end of the training support will be provided to the women to develop a sound business plan. Women who access funding (either through the financing mechanism describe in component 3, or other means) will receive close and specialized coaching and mentoring services for 12 months. Some of the training and coaching will be possible through a digital platform that will be designed under the grant. The business management training program will be first rolled out in most promising districts (where existing childcare businesses is more developed and demand and readiness for payment is the highest).

Expected deliverables: (2) business management program developed; (3) digital platform to facilitate some of the training/ coaching; (4) business management program modules delivered to beneficiaries; (5) mentoring and coaching provided.

Component 3: Access to finance In Tajikistan, banks allocate capital to the private sector inefficiently, and micro-, small- and medium-enterprises (MSMEs) face high collateral requirements. The level of collateral needed to obtain a loan stands at approx.125 percent. Consequently, only 2.5 percent of private firms reported using banks to finance investment, compared with 13.2 percent in the Europe and Central Asia (ECA) region. Partial credit guarantees supporting MSME access to finance could serve to reduce this collateral burden including for female-headed and female-owned firms, particularly those involved in the

⁸ RETF and BETF activities linked to the Social Protection Modernization and Economic Inclusion (SPMEI) Project (P178878)

⁹ The case of Kenya (with Kidogo) and South Africa (Grow ECD) are particularly relevant to Tajikistan and the grant will support the development of a similar model.

care industry. The ongoing WB-funded Financial and Private Sector Development (FPSD) project (P177722) is building Zamonat¹⁰'s capacity to expand its portfolio and also aims to establish a State Guarantee Fund to reintroduce an active Partial Risk-Sharing Facility (PRSF) instrument in Tajikistan.

Component 3 will facilitate the inclusion of women-led MSMES, particularly those in the care business, into the PRSF instrument to enhance their access to finance through the PRSF. Specific activities to be funded under this program will include i) Training of PFIs and Guarantee Agencies (GAs) and other relevant stakeholders on needs and access to finance for women-led organizations especially childcare centers II) Financial training courses for existing and potential child-care centers.

Expected deliverables: (6) Training programs for PFIs, GA developed (7) Trainings on financial access conducted for child-care facilities.

Component 4: Evaluation. This component will focus on evaluating the grant's activities. The evaluation and data collection will include an assessment of the women small and medium enterprises (WSME) supported under component 1 and component 2 in terms of revenue increase, jobs creation, etc. It will not be a randomized control trial (RCT) impact evaluation per se, but still rigorous quantitative data will be collected at baseline and endline. If resources allow, a smaller scale qualitative evaluation will be conducted to review the processes of the implementation of the business accelerator program, as well as its cost effectiveness.

Expected deliverables: (8) Methodology of evaluation; (9) Technical note with results of evaluation, lessons learnt and recommendations.

Institutional and Implementation Arrangements:

The Social Protection (SP) and Education team are already working closely on the development of childcare in Tajikistan (under the co-led ELP TF). The We-Fi grant will leverage the work and partnerships developed under this TF. Components 1,2 and 4 will be led by the Social Protection team, while component 3 will be led by the FCI team. Both teams will collaborate across components as well as partner closely with the education team.

- Component 1 will be done in close partnership with the Education GP, the Ministry of Education and Science (in charge of children between 0 and 6 years old) and the Ministry of Finance (implementing agency for the ECD project). Civil society and women entrepreneurs will be consulted to ensure adequacy of the regulations. It will leverage the existing relationship that has been forged in the implementation of the Invest in Childcare ELP TF and ECD Project.
- Component 2 will be done in close coordination with the Ministry of Labor, Migration and Employment who is leading on the economic inclusion program under the SPMEI Project. A national organization specialized in ECD will have to be recruited through a call for proposal for the implementation of the activities. The involvement of international experts who have developed entrepreneurship programs for childcare business owners will be essential.¹¹
- Other agencies and entities that will be engaged in implementation of components 1-2 are the National Early Childhood Development Committee, Committee for Family and Women's Affairs, Agency for Labor and Employment, training institutes, district and local authorities, and other key stakeholders, including civil society.

¹⁰ ZAMONAT as a small guarantee agency which currently works with microfinancing organizations targeting microbusinesses

¹¹ The South African organization 'Grow ECD' has shown some interest in being involved in this activity.

- Component 3: Component 3 will be developed in close collaboration with the Ministry of Finance who is currently the Implementing agency for the FPSDP project. In addition, the project will work with relevant Guarantee Agencies in Tajikistan
- Component 4: the design of the evaluation and data collection methodologies will be supported by international expertise.

Strategic Partnerships:

Activity 1 and 2 will leverage the strategic partnerships that have been developed under the ELP TF, the implementation of the ECD project and the SPMEI project. A close relationship was established on the topic of childcare businesses development with the Min. of Finance, the Min. of Education, and the Min. of Labor. Also, a working relationship was established with the social entrepreneur organization Grow ECD in South Africa as well as Tajiki civil society organizations working on the Childcare / ECD sector. Similarly, component 3 builds on an already developed relationship with an established Program Implementation Unit within the Ministry of Finance of Tajikistan.

Scaling growth and jobs for women businesses in the care economy

Global Context

The care economy faces multi-faceted challenges ranging from fragmented governance and weak regulation; access, affordability and proximity to potential beneficiaries; to quality, safety and trust issues; access to capital, public finance, and sustainability; and workforce gaps and job quality.¹² Many of the World Bank's activities, to date, focus on improving access, affordability, and safety of care. The focus of this proposal is to scale up activities that improve the environment for the provision of care services by women businesses.

More specifically, the objectives of the proposed activities are to unlock finance for women-led care enterprises, strengthen the business-enabling environment in the sector, build the capacity of entrepreneurs and enterprises in the care sector, advance regulatory maturity in the care sector, and identify the most effective enabling policies to support scaling care-sector opportunities for women entrepreneurs. WeFi identifies these as some of the principal challenges confronting women entrepreneurs in the care economy. A key element of this enabling environment is the adoption of gender-sensitive laws and policies. Global evidence demonstrates that reforms such as the expansion of childcare services, parental leave provisions, and flexible work arrangements both remove barriers to women's participation in the labor market and create conditions in which women entrepreneurs and enterprises in the care sector can thrive ([WeFi 2025](#)).

Women-led enterprises in the care sector face persistent barriers to growth, rooted both in limited access to finance and in an underdeveloped business-enabling environment.¹³ Financial institutions often view care businesses as high-risk due to their perceived low profit margins, lack of collateral, and limited track record, which restricts women entrepreneurs' ability to secure credit or investment. At the same time, the care economy is undervalued and poorly integrated into mainstream economic planning, with fragmented regulations, weak standards, and limited incentives for private sector participation. Women entrepreneurs therefore struggle not only with financing constraints but also with navigating unclear regulatory frameworks across multiple levels of government, burdensome licensing requirements, and limited access to markets and public procurement opportunities. Together, these barriers hinder the scale-up of women-led care enterprises, despite the sector's potential to generate jobs (especially for women), spur innovations in the provision of care, and drive inclusive growth.

Global expertise and good practices and local knowledge and context are together needed to meet these challenges. While countries and regions have important context-specific insights, many of the challenges faced by women entrepreneurs in the care economy—such as limited access to finance, weak regulatory frameworks, and fragmented service delivery—are shared across borders. The global team provides access to tested solutions, innovative financing models, and regulatory approaches that have proven effective in diverse settings. Drawing on international lessons helps countries to avoid “reinventing the wheel” and starting from scratch with each intervention, reduce policy experimentation costs, and accelerate the adoption of measures that can unlock private sector growth. It also enables benchmarking against global

¹² Per the World Bank's “*Addressing Care to Accelerate Equality*” (2023) the care economy refers to the system of paid and unpaid services that provide care for children, the elderly, people with disabilities, and others in need of support. It is both a critical driver of human capital and employment and a key enabler of gender equality, since women disproportionately carry the burden of unpaid care work while also comprising the majority of the paid care workforce

¹³ World Bank 2023: “What works in Supporting Women-led Businesses?”

standards, ensuring that reforms are competitive and sustainable. In addition, it allows for cross-pollination of successful approaches and the documentation of lessons and good practices across the program. This aligns closely with the main objectives of We-Fi, especially in scaling through applied research and learning that can be sustained beyond the lifespan of We-Fi funded interventions.

Program Design and Key Activities

The three components of this proposal have been carefully designed to respond to the regional demand and aligned to global expertise to ensure that activities to support the care sector are implemented in a manner that fosters sustainable private sector participation. This demand links to country activities implemented by a range of global practices and regions, and encompasses improving access to finance, streamlining and modernizing the business environment, and designing policies that support women's businesses in scaling and entering markets. The activities bring together the World Bank Group's engagement and expertise in the care economy, and links it to the institution's track record (through FCI GP) of supporting access to finance and business environment reforms.

The FCI GP has deep expertise in supporting governments across regions through advisory and lending instruments to support a robust financial sector, in developing business-friendly business establishment regulations, and on developing policies and programs to encourage business growth, including for women's businesses. This includes encouraging formalization, as well as a range of enterprise and entrepreneurial development support tools. Through this proposal, this expertise will be applied to the care economy. The three inter-linked components that this proposal will support include: (1) Financing the care sector; (2) Support to entrepreneurs and businesses in the care sector; and (3): Framework to Assess Legal Gaps in the Care Sector. Details are outlined below.

Component 1: Financing the care sector

Care economy enterprises in emerging and developing economies are relatively nascent and thus face challenges in attracting financing, many of which are common to WSMEs, yet complicated by the unfamiliarity of the nature of their business. Support for investment in these enterprises requires deploying FCI solutions across the spectrum of access to finance, from removing enabling environment constraints to supporting expanding finance mechanisms, including appropriate products that can meet consumer needs to plan and pay for care services.

FCI has experience in supporting WSMEs, starting from digitizing payments for providers to begin to build their digital cashflow trails that can assist them to demonstrate creditworthiness, to the development of new credit assessment methodologies to support early-stage and informal care enterprises, to supporting the expansion of access to insurance and pension products tailored for care, to the elevation of gender bonds and blended finance to support expanded credit provision women-led care SMEs that can help demonstrate the business case for investing in care. This component will review existing financial sector interventions for care enterprises but also apply best FCI practice in to develop new methodologies in these areas towards specialized application towards supporting women-led care SMEs, including early-stage firms, developing a global resource for application in advisory and investment operations. This global toolkit will be further refined for real-world application based on piloted experience in at least 2 countries seeking to undertake Care interventions (in function of the broader Care call funded work).

Component 2: Support to entrepreneurs and businesses in the care sector

There is considerable experience in leveraging business development services to support business growth, as well as evidence of which offerings and delivery approaches are more impactful. A solid track-record of implementation and learning has demonstrated what works (and also what does not work) – while best practices have been honed through lending programs, global policy and research work, and previous We-Fi projects that worked with ecosystem players on firm-level support.

This component will use this evidence and experience to develop a business development offering for two segments of entrepreneurs in the care sector: nascent businesses, as well as established enterprises (ready for scale). For nascent businesses, the activity will develop care-sector specific content for business skills training, digital and financial literacy, support with regulatory compliance, and incubation services. For established enterprises looking to scale, the activity will develop an acceleration offering, which will include support to help businesses meet the requirements of large buyers of care services, and linkages to market access opportunities.

Although the proposal does not cover the delivery of financial support to these enterprises, the activity will seek collaboration from partners that offer financing to businesses. The FCI GP has developed clear guidance on principles to be followed when designing programs offering grants to businesses, to ensure additionality and accountability that doesn't crowd out commercial financing. This expertise can be leveraged to offer technical input into the design of grant schemes to support the care sector, which may be deployed by lending programs led by other GPs.

This component will deploy the business development offerings and grant design support in two countries, with Pakistan and Liberia being two potential candidates. The specific countries will be selected in collaboration with the World Bank We-Fi program manager and regional/country teams. The goal would be to insert the finance, business development and legal assessment dimension into countries where there are other activities focused on the care sector, but where this private sector development dimension is missing.

Component 3: Framework to Assess Legal Gaps in the Care Sector

This component will develop a comprehensive framework to assess legal and regulatory gaps in the delivery of care services, with the objective of identifying institutional, regulatory, and policy constraints that limit women's participation in the labor market and entrepreneurial opportunities within the care economy. The framework would be an innovation and serve both as an analytical and operational tool, supporting governments and development partners in strengthening the enabling environment for care provision.

Building on the global investment climate team's [Business Licensing and Inspections Maturity model](#), the assessment would examine: (i) laws and regulations relevant to licensing and inspections of elderly care businesses; (ii) institutional responsibilities and coordination; (iii) enabling policies and institutional capacities; (iv) procedures, tools, and transparency for service delivery; and (v) the use of regulatory technology (RegTech) to streamline processes.¹⁴

The framework will map existing legislation and regulations governing care services, including licensing and accreditation, labor laws, workplace protections, and consumer safety standards. Special attention will be

¹⁴ The Maturity Assessment is a rapid diagnostic tool developed by the FCI to gauge how advanced a country's business licensing and inspections systems are—at national, sub-national, or sectoral levels—and to identify appropriate, next-generation reform opportunities.

given to identifying barriers that disproportionately affect women care providers or limit women's ability to engage in paid work. It will also assess the roles and responsibilities of government agencies (health, labor, social protection), and identify gaps in coordination, oversight, and service delivery.

In developing and applying this framework, the project will utilize international tools and good practices such as the World Bank's Women, Business and the Law framework, relevant ILO Conventions on labor and family responsibilities. These references will ensure the analysis is benchmarked against global norms while tailored to local contexts.

The framework would be piloted in two countries. The country selection will be based on the local demand and in collaboration with the World Bank We-Fi program manager and the regional/country teams. Beyond the initial pilot countries, the framework could be scaled up and applied through diverse sources of financing. In addition, the framework and its findings can be consolidated into a global knowledge product or publication, contributing to the evidence base on legal and institutional reforms in the care economy and guiding policymakers, development partners, and practitioners worldwide.

Institutional and Implementation Arrangements:

The overall components will be led by the global FCI team. Pilots in specific countries and/or country specific support will be implemented jointly with the respective regional and country teams. To support identification of appropriate country engagements and representation across WB We-Fi funded activities, country piloting will also be undertaken in collaboration with the WB We-Fi program team. Countries would be selected based on demonstrated need and potential for impact, including adequate client demand, a conducive enabling environment, and a minimum level of capacity to support implementation. The presence of an existing or related program that can be leveraged would also be advantageous.

Strategic Partnerships:

The Global FCI team leads global engagements for FCI and can leverage relationships to elevate the global instruments to be developed as part of this workstream. For example, utilizing platforms such as the G20 Global Partnership for Financial Inclusion, which has a track on SME finance, could help garner the attention of international policymakers and key implementation partner stakeholders to this agenda. The WB also has established relationships with financial and private sector authorities, development banks, chambers of commerce and FIs to advance awareness and access to programs, products, and services designed for women-led care SMEs.

Country Context

Liberia, an IDA-only Fragile and Conflict-Affected Situation (FCS), ranks near the bottom of global indices on human development and gender inequality. Over half the population lives in poverty, with women concentrated in informal trade and agriculture and constrained by limited finance, weak social protection, and heavy care responsibilities. Repeated shocks—including Ebola, COVID-19, and climate change—have further heightened vulnerability. As in many parts of the world, especially in West Africa, access to affordable, high-quality childcare is critical for women's economic participation in Liberia, influencing their availability for work, the types of jobs they undertake, and their income. National survey data show that women overwhelmingly face a trade-off between childcare and livelihoods, with availability and affordability especially limited in rural areas. Fewer than 10 percent of children are enrolled in formal ECCE programs, and most services are informal, under-resourced, and unaffordable. The 2024 LWEP ECCE Assessment identified gaps in caregiver training, infrastructure, and compliance with standards. In market communities, women traders often bring children into unsafe environments, reducing productivity and exposing children to risk. The We-CARE pilot will target two of three LWEP counties—Bomi, Rural Montserrado, or Grand Cape Mount—selected for their economic vibrancy, VSLA density, and proximity to Monrovia. Lessons will inform LWEP's broader rollout, Liberia's national childcare strategy, and global dialogue on the care economy through the We-Fi platform. Women's participation in markets and enterprises is severely limited by the absence of services that are accessible, affordable, and aligned with national standards. The Liberia Women's Economic Empowerment Project (LWEP), a US\$44 million IDA-financed flagship, supports 36,000 women across six counties through VSLAs, training, and market access, yet the lack of childcare remains a systemic barrier to fully realizing these benefits. Existing services are sparse and uneven—UNICEF established 32 centers in five counties, but these were not sustained after transition to government management.

The proposed We-CARE (We-Fi Childcare Enterprises for Advancing Women's Jobs and Livelihoods in Liberia) initiative will pilot two childcare models—community-based centers and market-based hubs—by competitively selecting 10 women-led childcare enterprises. Entrepreneurs will be invited through a call for proposals and supported with tailored financing, incubation, and technical assistance to strengthen business planning, achieve licensing and compliance readiness, and improve service quality and financial sustainability.

We-Fi financing provides critical additionality by embedding childcare expertise, incubation, and business development tools not covered under LWEP. This will place entrepreneurs at the center as service providers and small businesses positioned for growth, including through linkages to formal financial institutions that can provide additional financing for scale-up. By professionalizing their enterprises, the project will create dignified care jobs, expand safe childcare for women engaged in VSLAs, markets, and other livelihoods, and generate lessons on financial sustainability, governance, and quality standards to inform scale-up. Leveraging LWEP's Component 3—which offers life skills, agency-building, and direct grants for women-led enterprises—the project will blend We-Fi contributions with

LWEP co-financing. This ensures women benefit from start-up financing alongside LWEP's broader capacity-building platform. Through evaluation and policy engagement, the project will also review childcare regulations and recommend reforms to reduce barriers for women-led enterprises. In this way, We-CARE directly advances We-Fi's objective of scaling women-led businesses in the care economy while testing market-based solutions to childcare barriers.

Program Design and Key Activities

We-CARE will pilot two complementary childcare models—community-based centers and market-based hubs—in two counties. Ten women-led childcare enterprises will be competitively selected through a call for business proposals to either formalize existing operations or establish new ones. Selected entrepreneurs will co-design models with a TA partner, local governments, and community or market associations. Activities will unfold in three sequenced phases: (i) scoping, co-design, and enterprise incubation; (ii) acceleration and pilot implementation; and (iii) evaluation, policy engagement, and scale-up preparation. Activities build on LWEP's Component 3 on resilient livelihoods, leveraging existing VSLAs, a digital MIS, and LWEP's 2024 ECCE Assessment, while introducing innovation through results-based financing, incubation, and blended finance linkages.

Component 1: Scoping, Co-Design, and Enterprise Incubation

Subcomponent 1.a: Scoping & Participatory Assessments. Community, VSLA, and market consultations will identify needs, affordability thresholds, and priority sites, building on LWEP's 2024 ECCE Assessment. *Subcomponent 1.b: Competitive Selection & Enterprise Incubation.* Ten women-led SMEs will be competitively selected with LWEP and local government review, then incubated through business planning, training, and co-design with the TA partner. *Subcomponent 1.c: Financial Readiness & Formalization Roadmap.* The TA partner will map licensing and compliance requirements and support entrepreneurs in strengthening financial management and preparing for access to formal finance. This subcomponent will leverage evidence-based approaches used by the World Bank's FCI GP to support small enterprises, as well as FCI GP's expertise in regulatory mapping and reform, to ensure the roadmap is practical and scalable. *Subcomponent 1.d: Digital Tools for Childcare Services.* Enterprises will be connected to LWEP's digitized VSLA platform for mobile payments, bookings, and recordkeeping, ensuring consistency with LWEP's MIS. **Expected results:** Supply and demand assessments completed; 10 SMEs competitively selected and incubated; business plans finalized; roadmaps to formalization and financial readiness developed.

Component 2: WSME Acceleration and Pilot Implementation

Subcomponent 2.a: Community-Based Childcare Enterprises. Support five selected WSMEs to operationalize community-based childcare centers. *Subcomponent 2.b: Market-Based Childcare Enterprises.* Support five WSMEs to establish market-based hubs governed with Market Queens and associations. *Subcomponent 2.c: Enterprise Acceleration and Professionalization.* Provide ongoing TA on

enterprise management, compliance, and quality assurance; train caregivers and managers in ECCE and safeguarding. *Subcomponent 2.d: Demand Generation and Sustainability Pathways.* Build demand through awareness campaigns and test cost-recovery models (fees, VSLA contributions, subsidies), while linking SMEs to microfinance institutions and formal financial providers, and exploring government subsidy schemes. **Expected results:** 10 childcare WSMEs operational (5 community-based, 5 market-based); 50 caregivers trained; 500 children served; 500 women enabled to participate in economic activity; cost-recovery and financial pathways tested for scale.

Component 3: Evaluation, Policy Engagement, and Scale-Up Preparation

Subcomponent 3.a: Rapid Evaluation, Learning, & Roadmap to Scale. Assess affordability, quality, uptake, and outcomes using LWEP's MIS with childcare-specific indicators and beneficiary feedback. Generate a roadmap for replication in additional counties. *Subcomponent 3.b: Policy Engagement.* Work with MGCSF, MoE, and partners to review childcare regulations, identify constraints, and recommend adjustments. **Expected results:** Validated scale-up plan; training resources (e.g., guides, modules); at least one childcare regulation screened or revised; strengthened enabling environment.

Institutional and Implementation Arrangements

The We-CARE pilot will be anchored in LWEP, with overall coordination by the PMU housed in the Ministry of Gender, Children and Social Protection (MGCSF) and policy leadership jointly provided by MGCSF and the Ministry of Education (MoE). Governance at the community level will be anchored in VSLAs, market associations, and other local structures to ensure ownership and accountability.

Under Component 1, LWEP and the PMU will lead participatory assessments with VSLAs, market associations, and local leaders, while a competitively procured TA partner—selected based on experience in childcare enterprise models, SME finance linkages, and regulatory reform—will provide incubation support, business planning, a roadmap to formalization, and financial preparedness for access to credit and formal institutions. **Under Component 2**, the TA partner will provide ongoing technical assistance on standards, governance, and financing linkages, while women-led SMEs and VSLA networks—already integrated into LWEP's digital platform—will manage facilities. Start-up will be financed through LWEP livelihood grants, with additional investments in supplies, licensing, and financial linkages supported by the TA partner and co-financed by We-Fi. **Under Component 3**, the TA partner will lead evaluation and draft the scale-up roadmap, and the PMU and MGCSF will convene ministries, market actors, and development partners to validate findings, review regulatory frameworks and recommend adjustments as needed, and inform national childcare policy.

MGCSF, MoE, the LWEP PMU, and project consultants have already confirmed their roles; the TA partner will be procured during the inception phase, and partnerships with microfinance institutions (e.g., BRAC Liberia) and other financial actors will be identified and finalized in the scoping phase. This sequencing ensures readiness, while demonstrating both government commitment and growing private sector interest in financing childcare SMEs for long-term scale-up.

Strategic Partnerships

The We-CARE pilot will mobilize government, community, development, and global partners to strengthen Liberia’s childcare ecosystem. Government leadership from MGCSP and MoE will ensure alignment with national childcare and gender strategies. Community institutions—including VSLAs, Market Queens, and market associations—will ground the pilot in trusted local structures linked to women’s livelihoods. A competitively selected TA partner will bring global expertise in childcare models, strengthen business plans, and connect providers to financing mechanisms while embedding capacity locally. Existing LWEF development partners such as CRS and Plan International will integrate childcare into livelihoods and community programming, extending reach and reducing costs. Global and regional linkages through the World Bank and the We-Fi platform will amplify evidence, foster South–South learning, and galvanize actors around childcare as a systemic enabler of women’s economic empowerment, with potential for replication and scale beyond Liberia.

Building Resilience through Nepal's Care Economy

Country Context:

Nepal's labor force exhibits persistent gender disparities, particularly in the care economy, where women's contributions remain largely invisible despite their central role in unpaid and underpaid work.

Women account for over half of Nepal's population, yet only 26.3 percent participate in the formal labor force, compared to 53.8 percent¹⁵ of men. Nearly 90 percent of women aged 15 and above engage in domestic responsibilities, childcare, eldercare, and household maintenance, creating entrenched "time poverty" that limits access to income-generating opportunities. Cultural and social norms further restrict mobility, decision-making power, and access to resources, underscoring the need for interventions that integrate women into formal economic activities and recognize care work as a viable sector for entrepreneurship and employment.

Nepal's care economy encompasses direct services—such as childcare and eldercare—business-to-business support like catering and equipment services, and emerging digital platforms for caregiving.

Despite this potential, inadequate infrastructure, limited financing, and fragmented service delivery constrain women's full participation, especially in rural and semi-urban areas. Recognizing care as a systemic challenge, Nepal has committed to a Whole-of-Government Approach, including the development of a national care law. With support from UN Women and ILO, the first National Care Working Group was established under the National Planning Commission, signaling that care must be recognized as a public good with implications across all sectors. While existing national policies on women's entrepreneurship, financial inclusion, and social protection provide an enabling environment, gaps persist in implementation, recognition of care work, and targeted financing for women-led MSMEs. Addressing these constraints presents an opportunity to generate substantial economic and social benefits.

Globally, rising demand for care services will create millions of new formal jobs, the majority of which will be filled by women.

In Nepal, women-led MSMEs face structural barriers such as limited access to fixed assets for collateral, perceived high-risk lending, and profitability up to 48 percent lower than enterprises without care responsibilities. While South Asia offers examples of women-led community-based care innovations, similar efforts in Nepal remain largely informal, underfunded, or fragmented. Strategic investment in women-led care enterprises—through gender-responsive financial solutions, capacity building, and mentorship—can overcome these barriers, unlock entrepreneurship potential and improve economic outcomes for women.

This initiative will focus on provinces and districts where care needs are most acute, including urban centers with formal care services and rural areas affected by high youth out-migration, leaving children and older populations underserved.

Many of these locations fall under IDA or IDA Blend classifications, emphasizing the need for targeted support in resource-constrained contexts. By prioritizing marginalized women, including rural women, ethnic minorities, and women-headed households, the initiative ensures inclusive access to finance, skills development, and markets.

¹⁵ *Women's Labor Force Participation in Nepal: An Exploration of The Role of Social Norms (June 2024)* (<https://documents1.worldbank.org/curated/en/099816406182414601/pdf/IDU-035b93f9-1719-41a0-8d50-ae0bc1f1e2.pdf>)

Through strategic interventions, the initiative aims to formalize and scale women-led care enterprises, expand access to finance, digital tools, and markets, and strengthen capacity-building programs. These efforts are expected to boost household incomes, improve wellbeing, and drive inclusive economic growth, while simultaneously addressing broader demographic challenges, care provision gaps, and social inequities across Nepal. **This project seeks to empower women-led enterprises in Nepal's care economy by expanding access to finance, markets, digital tools, and tailored capacity-building programs.** Its overarching objective is to position the care economy as a viable, formal sector for entrepreneurship that drives both job creation and inclusive economic growth. By providing tailored financial solutions, business development services, and technology-driven innovations, the project will enable women entrepreneurs to formalize, scale, and strengthen their enterprises. In turn, this will increase household incomes, create new employment opportunities, and reduce women's time burdens, thereby fostering greater independence and contributing to Nepal's holistic development.

We-Fi funding provides critical additionality by de-risking investments in women-led care enterprises and mobilizing co-financing from national level partners such as the Nepal Rastra Bank ("NRB", the central bank of Nepal), the Deposit and Credit Guarantee Fund (DCGF), the Nepal Bankers' Association (NBA), and the Federation of Women Entrepreneurs Association Nepal (FWEAN). The initiative will build on findings and policy reforms from the We-Fi Nepal Program, particularly regarding sex-disaggregated financial data reporting, and align with the Sustainable and Inclusive Finance ("SIF", P508961) investment project, which strengthens credit information systems and develops tailored guarantee products for MSMEs. By leveraging these synergies, the project aims to expand financial access, strengthen entrepreneurial networks, and foster an enabling ecosystem that positions care-focused enterprises as a catalyst for women's empowerment and inclusive economic growth in Nepal.

Program Design and Key Activities

This initiative adopts a two-pronged approach to strengthening women-led enterprises in Nepal's care economy by addressing both the supply and demand sides of the ecosystem. On the supply side, the project will enhance the institutional capacity of the DCGF and partner financial institutions to design, pilot, and scale gender-responsive financial products tailored to the needs of women-led MSMEs in the care sector. These efforts will be reinforced by the NRB's recognition of the care industry as a national priority sector. On the demand side, it will engage umbrella organizations such as FWEAN, Federation of Nepalese Chamber of Commerce and Industries (FNCCI) and other networks to identify constraints, provide mentorship and business development services, and strengthen market linkages that enable care enterprises to scale sustainably. Together, these interventions create a comprehensive system that addresses structural financial barriers while equipping women entrepreneurs with the skills, networks, and tools necessary to thrive.

Component A: Data Analysis and Insights

The project will generate a foundational evidence base on Nepal's care economy to inform similar other interventions. This includes a comprehensive mapping of women-led care enterprises, building a database of both registered and informal MSMEs in partnership with the We-Fi team's ongoing work on sex-disaggregated data in the financial sector. In parallel, a gender-sensitive market assessment will be conducted to identify structural barriers such as collateral requirements, limited credit histories, and geographic disparities that restrict access to finance.

These findings will be validated through stakeholder consultations with entrepreneurs, financial institutions, and umbrella organizations such as FWEAN and FNCCI. This consultative process will help identify a pipeline of care enterprises for support and ensure interventions respond directly to market realities. Insights will be synthesized into knowledge products—including analytical reports, toolkits, and policy briefs—that inform financial product design, enterprise support, and broader policy dialogue. We-Fi funding will be instrumental in supporting data collection, pipeline development, and knowledge dissemination, while partner institutions will provide complementary co-financing to strengthen ownership and sustainability.

Component B: Gender-Responsive Financial Products

Building on the evidence generated in Component A, the project will co-develop tailored financial products with partner institutions that directly address the constraints faced by women-led care enterprises. Specific interventions include strengthening fintech and credit information systems, while leveraging DCGF guarantees to mitigate perceived risks for lenders. A key focus will be ensuring that early-stage enterprises—particularly those in emerging areas such as ed-tech and med-tech—are not excluded from the formal financial system due to lack of adequate collateral or formal credit history.

Product design will be prioritized in Year 1, with at least two financial products piloted in Year 2 to test feasibility and refine models. Years 3 and 4 will support scaling of development models, building a community of practice and sharing of knowledge through regional and global platforms. We-Fi support will de-risk these innovations through DCGF, while the NRB, and commercial banks will ensure scalability and institutional ownership. Through this component, women-led enterprises in the care economy will gain greater access to finance, business development services, and tailored financial solutions, enabling them to professionalize and expand operations.

Component C: CareAble – Professionalizing the Care Economy

This component will focus on capacity building and standardization to elevate the recognition, quality, and sustainability of Nepal’s care economy by strengthening the skills, professionalism, and reach of women-led care enterprises. Key interventions will include supporting policy reforms to formally recognize care work as an economic sector, developing training curricula and certification standards for care providers, and rolling out sector-specific training and mentorship programs for women entrepreneurs and care workers.

In addition, the project will encourage **public-private partnerships** to expand childcare and eldercare infrastructure, addressing pressing demographic shifts caused by youth migration and an aging population. By embedding quality standards, certification, and continuous training, this component will build a professionalized and dignified care workforce while enhancing the marketability and scalability of women-led care enterprises.

Component D: CarePreneur – Enterprise Support and Market Linkages

This component will deliver direct support to women-led enterprises, enabling them to scale sustainably and meet growing demand for care services. Activities will include tailored business development services, mentorship programs, and technical assistance, as well as facilitation of linkages with procurement channels, value chains, and digital platforms.

A due diligence process will identify high-potential care enterprises, including informal and unregistered initiatives—that have historically been excluded from formal systems of support. By combining financial access (from Component B) with targeted business services and market linkages, this component will empower CarePreneurs to scale sustainably, create jobs, and deliver high-quality services that meet growing demand.

Institutional and Implementation Arrangements:

The We-Fi program in Nepal will be overseen by the Task Team Leader (TTL) of the Finance, Competitiveness and Investment (FCI) team at WBG Nepal. TTL will coordinate all program components, ensuring alignment with We-Fi objectives and compliance with reporting requirements. The team will receive additional support from the WBG Gender Specialist and a local implementing partner, providing operational guidance and on-the-ground support. Monitoring, evaluation, and all reporting functions will be led by the Senior Financial Sector Specialist, ensuring systematic oversight of outputs, outcomes, and adherence to We-Fi indicators.

Each project component will be executed through close collaboration between WBG Nepal and local partners, leveraging international technical expertise and local knowledge:

- *Component A – Data Analysis and Insights:* Led by the local partner in coordination with WBG research teams, focusing on mapping, market assessments, and stakeholder consultations.
- *Component B – Gender-Responsive Financial Products:* Implemented jointly with financial institutions such as NRB, DCGF, and select commercial banks, with WBG providing technical guidance for product design and piloting.
- *Component C – CareAble: Professionalizing the Care Economy:* Delivered through partnerships with umbrella organizations, training institutes, and CSOs to provide capacity building, certification, and mentorship.
- *Component D – CarePreneur: Enterprise Support and Market Linkages:* Combines mentorship, business development, and incubation services, with partners facilitating access to value chains, procurement channels, and digital platforms.

Strategic Partnerships:

The initiative will leverage strategic partnerships across public, private, civil society, and technical capacity-building actors to drive transformative change in Nepal's care economy and scale women-led enterprises. These collaborations will align stakeholders around shared goals, strengthen the ecosystem, and catalyze systemic change.

Government and Public Sector Partners: The program will engage key government agencies to ensure policy alignment, regulatory support, and integration of gender-responsive financial mechanisms. Partners include:

Ministry of Women, Children, and Senior Citizens – policy guidance and integration of gender-responsive initiatives.

Ministry of Industry, Commerce, and Supplies – support for enterprise development and business formalization.

Nepal Rastra Bank – co-development of financial products and pipeline support.

Ministry of Finance – alignment with national financing strategies and co-financing opportunities.

This engagement will institutionalize interventions, ensure scalability, and align efforts with national priorities.

Financial Sector Partners: Collaboration with financial institutions will expand access to capital, reduce investment risks, and co-create innovative financing solutions for women-led care enterprises. Key partners include:

- Commercial banks and microfinance institutions
- Digital finance platforms and FinTech companies
- Impact investors, venture capital funds, and blended finance platforms

These partnerships will unlock new markets, increase capital flows, and provide guarantees to mitigate perceived risks for women entrepreneurs.

Private Sector and Women-led Enterprises: Private sector actors and women-led enterprises will serve as both implementation partners and beneficiaries. They will contribute by:

- Providing insights on market needs
- Piloting innovative service models
- Scaling enterprise solutions

Engagement with women-led enterprises will also identify promising care providers and strengthen linkages to value chains and procurement networks.

Civil Society and Development Partners: Partnerships with CSOs, women's networks, and advocacy organizations will ensure:

- Outreach to marginalized women and underserved regions
- Inclusion and equitable access to care services
- Community-level innovations and grassroots engagement

These actors will ensure interventions are inclusive, impactful, and socially sustainable.

Technical and Capacity-Building Partners: Institutions such as the FWEAN will provide training, mentorship, and knowledge transfer to women entrepreneurs and care providers. Their support will focus on:

- Standardization and professionalization of care services
- Strengthening entrepreneurial and business skills
- Building a sustainable ecosystem for women-led care enterprises

By fostering these multi-sector partnerships, the initiative will establish a coordinated system of actors working toward shared objectives—enabling scalable interventions, strengthening the enabling environment, and driving long-term, transformative impact in Nepal’s care economy.

Generating Growth Opportunities and Productivity for Women Enterprises in the Care Industry in Uganda

Country Context:

Uganda faces a persistent challenge in enabling women's economic participation due to unequal unpaid care burdens. Women in Uganda disproportionately bear the responsibility for unpaid care work, particularly for children under the age three. According to the Uganda National Household Survey, 83 percent of women engage in unpaid care work compared with 53 percent of men. Additionally, women spend on average 10 additional hours per week on childcare and household tasks compared to men (UBOS 2021). This unequal burden limits women's economic participation and constrains business productivity. While women own approximately 40 percent of enterprises in Uganda, these businesses are typically less productive and less profitable than those owned by men, in part due to limited access to quality childcare and the persistent burden of unpaid care work. (Mastercard 2020; Carranza, Dhakal, and Love 2018). In addition, women are overrepresented in low-profit, low-rent segments of the economy and often face significant barriers in scaling from micro-level operations to more profitable, larger enterprises (Carranza, Dhakal, and Love 2018). Evidence shows that 37 percent of women business owners in Uganda bring their children with them to work, reducing potential profits by up to 48% (Delecourt and Fitzpatrick 2021).

Public and private markets in Uganda are essential hubs for economic activity, providing a platform for low-income entrepreneurs to sell goods, generate income, and access broader supply chains. These markets stimulate local economies by facilitating trade in agricultural produce, household items, and other essential commodities, often at prices accessible to low-income communities. More than 60 percent of vendors and small-scale entrepreneurs in the markets are women, many of whom are primary caregivers for children aged 0-3 years. Cognizant of this, the Markets Act, 2023 (Section 9(b)), mandates the presence of a baby-care and nursing center as a licensing requirement for public and private markets. Thereafter, dedicated childcare spaces were created in 21 public markets that were constructed or upgraded across Uganda. However, in some markets, these designated childcare spaces largely remain unused for their intended purpose. Some sit vacant, while others are rented to other businesses that can afford the monthly rent. In markets where they do operate as childcare centers, these spaces often face significant financial, operational, and quality challenges, limiting their effectiveness in supporting women entrepreneurs by providing safe, reliable care for children.

Supporting accessible, affordable, and high-quality childcare services for low-income women has been shown to produce what is commonly referred to as a "Triple Dividend." First, it enables mothers to access reliable care services that support increased labour force participation, productivity, and earnings. Second, it invests in the childcare sector itself, creating and improving quality jobs for a predominantly female workforce. Third, it improves children's developmental outcomes through exposure to structured early care environments.

Program Design and Key Activities

Uganda's Ministry of Gender, Labour and Social Development (MGLSD), in partnership with the Private Sector Foundation Uganda (PSFU) and with funding from the World Bank, is currently implementing the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) project. The project aims to enhance access to services that enable women entrepreneurs to grow their enterprises in targeted locations, including host and refugee communities. It addresses key structural barriers faced by women-

owned businesses, such as limited access to affordable childcare, finance, business development services, and productive infrastructure.

The proposed program is informed by prior analytical work on childcare conducted under GROW. In 2023 and 2024, two studies were undertaken with support from the Early Learning Partnership (ELP) fund: (a) a review of the regulatory framework for center-based childcare for children under three in Uganda, and (b) a demand and supply assessment of childcare services for low-income women entrepreneurs. Both studies were launched in November 2024. These studies highlight significant gaps in policy and service provision for the 0 to 3 age group, particularly regarding affordable and quality childcare for low-income women. Findings from these studies and consultations with stakeholders informed the prioritization of the following childcare-focused initiatives within GROW: providing grants to women-led childcare enterprises, supporting national policy development focusing on the zero to three age group, and piloting affordable and accessible childcare models in public markets (Table 1). Through these initiatives GROW adopts a comprehensive multi-pronged approach to both expand job opportunities for women entrepreneurs in childcare service delivery and enhance labor productivity for low-income women entrepreneurs working in markets.

Table 1

Grow Project Component	Childcare Intervention
Component 2 A: Grant Support for micro enterprises through business competition	Special funding allocated within the window specific to Women Entrepreneurs who run childcare social enterprises, to strengthen and scale childcare services targeting low-income women.
Component 4B: Policy innovation and evidence generation (Impact Evaluation, support for policy implementation and innovation)	Support Ministry of Gender Labour and Social Development with development of National Guidelines and Standards for the Establishment and Management of Childcare Facilities for Children Under 3 Years.
Component 3B: Enabling access to gender inclusive workplace infrastructure	Pilot a childcare business model that is affordable and accessible to low-income women in a select urban and market* This model will be scaled to the remaining 20 public markets in Uganda. Additionally, targeted communications and technical support will be provided to existing childcare service providers in public markets to apply for the grant competition under Component 2A.
* This intervention is the primary focus of the proposal.	

The grant from We-Fi will support the piloting of a childcare business model in a public market in Uganda and scaling the model to public markets nationwide. The pilot builds on an existing daycare center in Nyendo Market, Masaka District, and aims to establish a cost effective, financially sustainable, and high-quality model that can be replicated across the remaining 20 public markets. The initiative targets low-income women micro-entrepreneurs, who make up the majority of vendors in public markets, and leverages existing childcare infrastructure.

The Nyendo Market childcare center, run by women entrepreneurs, currently serves approximately 30 to 40 children, primarily aged 0 to 3 years, with some nursery-aged children attending in the afternoons. Despite its critical role, the center faces multiple challenges common to childcare enterprises across public markets. Most centers operate below capacity, with hours that do not align with women's long six- to seven-day workweeks in the markets. They struggle to recruit and retain qualified staff, have limited capacity to provide inclusive services for children with disabilities, and spend excessive time on regulatory

compliance. Financially, many centers rely on personal funds to start operations and have limited access to loans or grants. Low, affordability-driven fees, late or installment payments, and high operating costs—including staff, food, and rent—create irregular cash flow and very thin margins, leaving little room to invest in program quality or staff development. Regulatory and licensing processes are often complex, costly, and inconsistent, making registration difficult and ongoing compliance with standards—such as caregiver qualifications—hard to maintain. On the demand side, affordability constraints, concerns about quality and safety, geographic inaccessibility, and limited awareness of available options reduce enrollment, even where interest exists.

Component 1: Developing a financially sustainable model for childcare.

This component will focus on establishing a financially sustainable childcare model by setting fees that align with parents' willingness to pay, ensuring services remain affordable for low-income families while maintaining the financial viability of the childcare provider. Childcare operators will receive technical support in financial management, including bookkeeping, inventory tracking, attendance monitoring, and integration with mobile money platforms to enable seamless transactions. The intervention will also assist providers in achieving compliance with MGLSD regulations, ensuring their operations meet national standards. To promote expansion and accessibility, providers will have facilitated access to blended finance options, including grants and rent subsidies from local government, to reduce fixed operational costs and enhance long-term sustainability.

Component 2: Roll out of quality standards and workforce development.

With support from GROW and informed by the analytical work conducted under the project, MGLSD is currently developing *National Guidelines and Standards for the Establishment and Management of Childcare Facilities for Children Under 3 Years*, which are expected to be finalized by November. The pilot will support (a) establishing and rolling out a quality childcare program in line with the new standards, and (b) establishing and rolling out a staff upskilling program in line with the new standards. The roll out in the pilot will inform the final content of the programs and these will be digitized to enable quicker roll out to childcare services in the 20 public markets where this model will be scaled.

Component 3: Sensitization, monitoring and evaluation and digitization of key processes.

This will include setting up a robust M&E system as well as digitization of key processes. This includes establishing a robust M&E system to track beneficiary outcomes and program performance, as well as digitizing processes with high returns on investment, such as mobile fee collection, automated receipts, budgeting, attendance tracking, and parent communications. Another example is a provider operations toolkit that may include apps/modules: attendance, fee tracking, budgeting, inventory, staffing/ratios, compliance reminders; parent communications.

Institutional and Implementation Arrangements:

The World Bank task team together with the GROW Project Implementation Teams (PIT) under MGLSD and PSFU will lead the implementation of the pilot. Implementation partners will include local governments, market committees, and NGOs specializing in early childhood development. Partner selection is based on demonstrated operational capacity, alignment with program objectives, and experience supporting women-led enterprises. Stakeholders including UNICEF and national authorities will provide technical guidance and policy support throughout implementation.

Strategic Partnerships:

The GROW project has established strategic technical partnerships on childcare with the Gates Foundation and the Early Learning Partnership (ELP) fund. As donors to GROW, childcare experts from these institutions have contributed to the design and conceptualization of the proposed intervention. Within Uganda, childcare activities are closely coordinated with UNICEF to ensure complementarity and avoid duplication of efforts. In addition, the Norwegian Directorate for Children, Youth, and Family Affairs (Bufdir) is co-financing, alongside GROW and MGLSD, the development of the *National Guidelines and Standards for the Establishment and Management of Childcare Facilities for Children Under 3 Years*.