

Women Entrepreneurs Finance Initiative (We-Fi)

Taking Women-Owned
Business to the
Next Level





“Women’s economic empowerment is critical to achieve the inclusive economic growth required to end extreme poverty, which is why it has been such a longstanding priority for us. This new facility offers an unprecedented opportunity to harness both the public and private sectors to open new doors of opportunity for women entrepreneurs and women-owned firms in developing countries around the globe.”

—World Bank Group President Jim Yong Kim

Defying The Odds

All over the developing world women have successfully made it in business. But they are a small group of women—only 30 percent of formal small and medium enterprises (SMEs) around the world are owned and run by women. Seventy percent of formal women-owned SMEs in developing countries are either shut out of financial institutions or can't get the capital they need.

This results in a nearly **US\$300 billion annual credit deficit for formal women-owned SMEs** in developing countries. It is almost impossible to sustain a business without access to capital. Lack of networks, knowledge, and links to high value markets further limit female entrepreneurship in developing countries.

We-Fi intends to change those statistics. Its holistic approach will help women in developing countries gain increased access to the finance, markets, and networks necessary to start and grow a business.

Women entrepreneurs play a critical role in economic development by boosting growth and creating jobs, particularly for the poorest 40 percent of the population. Yet, women entrepreneurs face numerous challenges including legal and policy obstacles to business ownership and development.

Women-led enterprises tend to be concentrated in retail and service sectors where profits and growth opportunities are lower, and rarely in more profitable industries such as construction, electronics, or software.

Lack of networks and knowledge also constrain women entrepreneurs. Studies show that men have more social connections that enable them to access business opportunities, information, and contacts than do women.

In this way, women are disadvantaged from the start, having fewer professional connections, role models, and mentorship opportunities, which can adversely affect their businesses in the long run.

We-Fi Objective

The objective of We-Fi is to address financial and non-financial constraints faced by women-owned/led small and medium enterprises (SMEs) in IDA and IBRD eligible countries and territories. We-Fi aims to achieve this by mobilizing more than US\$1 billion in commercial and international financial institution finance for entities that provide women entrepreneurs with access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets, and for governments to improve the business environment for women-owned/led SMEs.



A Strategy for Success

We-Fi aims to mobilize at least US\$1 billion in international financial institution and commercial financing, by working with financial intermediaries, funds, and other market actors. The 14 contributor countries to the We-Fi have committed over US\$340 million to launch the facility's activities.

We-Fi will work to break down barriers to financial access and provide complementary services such as capacity building, access to networks and mentors, and opportunities to link with domestic and global markets as well as improving the business environment for women-owned or women-led SMEs across the developing world.

We-Fi builds on the success of past and current programs of the World Bank Group and other partners, while reaching into new areas, supporting women-led businesses at earlier stages of growth, and unlocking access to equity and insurance services. At the same time, **We-Fi will support complementary public and private sector activities** to build a supportive ecosystem for women entrepreneurs by strengthening the enabling environment and enhancing market opportunities for women entrepreneurs.

We-Fi will foster innovation and new approaches to removing these constraints for women entrepreneurs. It will also help elevate the issue to spur action by governments and the private sector.

Open For Business: Call For Proposals

We-Fi opened for business on October 12, 2017, and the first call for proposals closed on December 15, 2017.

The following accredited multilateral development banks (MDBs) were eligible to apply under the first Call for Proposals: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, IDB Invest, International Finance Corporation, Islamic Development Bank Group, and World Bank (the International Bank for Reconstruction and Development and the International Development Association).

MDBs have been encouraged to partner with UN agencies, international financial institutions, civil society organizations, business groups, and/or other entities currently working in this field to help implement activities.

How We-Fi Works

We-Fi is a collaborative partnership between governments; Multilateral Development Banks (MDBs); and other stakeholders. It's secretariat sits within the World Bank. The We-Fi is governed by a Governing Committee comprising fourteen founding contributors as decision making members. Key stakeholder representatives participate as observers. The Secretariat will issue calls for proposals from time to time. All eligible Implementing Partners may submit proposals as per the terms outlined in the calls for proposals. Funding decisions are made by the Governing Committee. The first call for proposals, issued by the We-Fi Secretariat, closed on December 15, 2017. We-Fi operations are guided by its Governance Framework and Operations Manual (available at: <http://www.worldbank.org/en/programs/women-entrepreneurs#9>).

Funding Criteria

The We-Fi Governing Committee seeks a portfolio of programs that demonstrate:

- 1) excellent overall program design and strong development impact;
- 2) mobilization of additional funding to meet the US\$1 billion target;
- 3) complementarity between public and private sector activities;
- 4) additionality and value for money;
- 5) a focus on low-income countries and/or women SMEs in hard to reach, underserved areas in other contexts (for instance in remote or poor regions or refugee populations in middle income countries); and
- 6) partners that have a strong track record for developing innovative new approaches and delivering results.

The We-Fi has a strategic goal of allocating 50 percent of its resources to activities in IDA countries and/or fragile and conflict affected states over the lifetime of the facility. For those proposals targeting Africa, special consideration will be given to those with activities in G-20 Compact Countries.

www.worldbank.org/en/programs/women-entrepreneurs

Partners

Founding Contributors: Australia, Canada, China, Denmark, Germany, Japan, the Netherlands, Norway, the Russian Federation, Saudi Arabia, Republic of Korea, the United Arab Emirates, the United Kingdom and the United States.

MDBs: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, IDB Invest, International Finance Corporation, Islamic Development Bank Group, and World Bank (the International Bank for Reconstruction and Development and the International Development Association).



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