

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Gender Disaggregated Data for Financial Inclusion II
▪ TC Number:	RG-T3855
▪ Team Leader/Members:	ZARATE MORENO, ANA MARIA (IFD/CMF) Team Leader; FONSECA, DANIEL FERNANDO (IFD/CMF) Alternate Team Leader; MARQUEZ, CLAUDIA M (IFD/CMF); MARTINEZ LOPEZ, CYNTHIA GUADALUPE (IFD/CMF); ALMEIDA OLEAS, NATALIA (LEG/SGO); VILA SAINT-ETIENNE, SARA (LEG/SGO); AZAR BARROS, KARINA (IFD/CMF); CAVAZZONI LIMA, RAFAEL (IFD/CMF); SIERRA GONZALEZ, EDUARDO (IFD/CMF); DOMINGUEZ, JOAQUIN J. (IFD/CMF); DEMICHELIS, JOSE FRANCISCO (IFD/CMF); US ALVAREZ, HUGO AMADOR (SCL/GDI); SALDANA GALVEZ, JORGE HERNAN (CAN/CPE); RODRIGUEZ CABRERA, LUIS GASTON (CSC/CUR); AQUINO AGUIRRE, RUTH NATALIA (CSC/CPR); ANAZCO ESCOBAR, GILDA MARIA (IFD/CMF); BALANI, HERO RANJIT (CID/CBL); BERDEJA SUAREZ, ISABEL; SOHANY FLORES FERNANDEZ (IFD/CMF)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	14 May 2021
▪ Beneficiary:	Public sector institutions of Latin America and Caribbean (LAC) Countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$350,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	IFD/CMF - Connectivity Markets and Finance Division
▪ Unit of Disbursement Responsibility:	IFD/IFD - Institutions for Development Sector
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Institutional capacity and rule of law; Gender equality

II. Objective and Justification

- 2.1 The objective of this operation is to improve the Financial Inclusion (FI) of women and WLBs by supporting public sector efforts to improve the availability and use of disaggregated data as well as to adequately incorporate gender aspects in policies, programs, strategies and other innovative initiatives in the financial sector. This objective would be achieved via: (i) supporting data collection initiatives led by public institutions, (ii) testing pilots and innovative interventions with high potential of replication across LAC, (iii) strengthening institutional capabilities to collect sex-disaggregated data and serve women; and (iv) actively disseminating the knowledge and recommendations.
- 2.2 Improving financial inclusion (FI) has been prioritized across countries in Latin America and the Caribbean (LAC) and represents a key enabler of the 2030 Sustainable

Development Goals. Women's FI, additionally, is not only one of the pillars for narrowing gender gaps but is also crucial to promote inclusive growth due to its role in enhancing economic empowerment both at the individual (financial access, use and literacy; housing finance) and business level. However, the challenge is prevalent in LAC since it is estimated that only 49% of women have access to a bank account, 11% save money, and barely 10% declare having access to credit, and gender gaps exist across all services. In addition, a third of Small and Medium Enterprises (SMEs) are owned or led by women, yet the financing gap affecting these businesses is estimated at US\$98 billion and less than 5% of women have access to credit to start or to grow their business.

Despite the importance of Women's FI, there is still a systematic lack of sex disaggregated data at the public and private sector level and from both the demand-side (data collected from users through household or other surveys), and the supply side (data from financial service providers). The lack of data prevents an adequate or complete diagnosis of the constraints affecting women from a public policy perspective, while it also limits the design of programs and the evaluation of public interventions. The lack of adequate data also prevents targeting programs to priority segments such as rural women, women head of households, women entrepreneurs, etc. From the private sector perspective, the lack of data prevents the understanding of the business case for serving women and Women Led-Businesses (WLBs) as a distinct segment with needs and preferences that require the design and implementation of specific approaches. Adequate data is thus crucial for both understanding this market opportunity, as well as women's preferences, participation, and behaviors in the use of financial services. In addition to bridging the gender data gap, public sector institutions need to design, test and implement innovative initiatives that foster Women's FIs. For example, in Chile the financial regulator has been at the center of studying gender biases in credit decisions while a FIRA, a National Development Bank in Mexico was the first, with IDB support, to successfully issue a gender bond in the markets to improve financing for women-led projects in rural areas. Innovative initiatives, in turn, require a solid institutional framework to understand and respond to women's needs and strengthened capabilities to lead other ecosystem actors in this same path.

III. Description of Activities and Outputs

- 3.1 **Component I: Component 1. Gender data generation and collection.** . This component will focus on supporting public sector institutions with diagnoses and the implementation of recommendations to optimize the measurement, monitoring, analysis and use of data related to the access and use of financial services by women and/or WLBs.
- 3.2 **Component II: Component 2. Design of Innovative interventions and pilots.** . Focus on supporting the design of innovative interventions or pilots at public sector institutions. Potential areas of support include the testing of alternative credit scoring techniques, financing strategies or programs for women entrepreneurs, particularly those with high growth potential, and other financial innovations across the gender-lens investing spectrum.
- 3.3 **Component III: Component 3. Institutional capacity strengthening.** . This component will focus on strengthening the institutional and technical capacity of public sector institutions to adequately address women's financial inclusion or to undertake innovative initiatives such as the development and issuance of gender bonds, following the success of FIRA's case in Mexico. The activities will be designed considering the importance of strengthening the whole ecosystem involved in women's financial inclusion.

- 3.4 **Component IV: Component 4. Dissemination.** . Dissemination material and publications will be produced to transmit the main lessons learned and key recommendations stemming from this TC. The knowledge generated will be actively disseminated online (including relevant blogs) and will be presented at key conferences and events, especially those involving policy makers and private financial institutions.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Gender data generation and collection.	US\$100,000.00	US\$0.00	US\$100,000.00
Component 2. Design of Innovative interventions and pilots.	US\$170,000.00	US\$0.00	US\$170,000.00
Component 3. Institutional capacity strengthening.	US\$50,000.00	US\$0.00	US\$50,000.00
Component 4. Dissemination.	US\$30,000.00	US\$0.00	US\$30,000.00
Total	US\$350,000.00	US\$0.00	US\$350,000.00

V. Executing Agency and Execution Structure

- 5.1 The IDB will be the executing agency, through the IFD/CMF Division.
- 5.2 CMF Division has ample experience executing similar programs; beneficiary public-sector entities will be the counterparts and are expected to organize and coordinate the participation of other entities or stakeholders. While all contracting will be conducted by the Bank, counterparts will provide information on the execution of Bank-supported activities.

VI. Project Risks and Issues

- 6.1 Considering that the project will require a commitment to implement the programs and/or initiatives supported, the main risk foreseen relates to a lack of demand for participation under these conditions. Nonetheless, as a result of sector work and policy dialogue by CMF with public sector institutions during the last four years, a growing interest and commitment by the relevant stakeholders has been identified, while concrete demand for support in gender related aspects by public institutions has increased recently, thereby mitigating this risk.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".