

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**REGIONAL**

**We3A – Improving access to value chains for women entrepreneurs**

**(RG-T3788 / RG-T3901)**

**DONORS MEMORANDUM**

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## **PROJECT SUMMARY**

### **REGIONAL**

#### **We3A – Improving access to value chains for women-led SMEs (RG-T3788 / RG-T3901)**

This project, named We3A after its three components, Aspire, Activate and Accelerate – will seek to strengthen women-led/owned SMEs (WSMEs) by combining value chain integration for women with high quality business training delivered through a range of innovative, digital means. Each component will get progressively more focused on individual beneficiaries with more intense engagements. In Aspire, the project will use “edu-tainment” style storytelling to promote a positive impression of women’s entrepreneurship as a true profession, worthy of respect and investment to a broad audience. In Activate, We3A will employ a wide range of digital interventions that will enable the engagement of many WSMEs in the region, while at the same time increasing the capacity of local partners who will have long-term access to the digital resources beyond the project’s life. Finally, in Accelerate, the women will be provided an intensive accelerator experience and buyer match-making opportunities WSMEs who are ready to integrate into value chains.

The program’s specific objectives will be to improve WSMEs’ access to value chains and WSMEs’ access to disruptive technologies and digital financial inclusion. The project has three main goals: (i) to improve WSMEs’ access to value chains, (ii) to improve WSMEs’ access to and use of disruptive technologies and digital financial inclusion, and (iii) promote high-growth WSMEs’ access to early-stage finance. Furthermore, this TC will pay special attention to mitigating post-COVID-19 economic turbulence, both by supporting WSMEs that have been negatively impacted and identifying solutions and new business opportunities, such as WSMEs that leverage disruptive technologies to innovate in health, education, and financial sectors, among others. By leveraging digital technology and other innovative aspects, the women entrepreneurs will build resilience and overcome intrinsic barriers that hinders their ability to grow and strive in today’s business climate. The project thereby is congruent with both reactivation and women’s economic empowerment, two of the pillars of the 2025 vision of the IDBG.

We3A will target some of Latin America’s lowest-income economies and nascent entrepreneurial ecosystems in seven countries (El Salvador, Guatemala, and Costa Rica Honduras, Guyana, and Nicaragua and Ecuador)<sup>1</sup>. Direct beneficiaries will be 6,400 women-led SMEs trained, 160 will be enrolled in the accelerator, and 128 WSMEs will graduate. The project will also involve men in project activities to foster support, and to create an enabling environment for women's empowerment.

The project will be executed by Thunderbird School of Global Management in cooperation with WEConnect International and local business ecosystem partners such as business training centers, chambers of commerce, incubators, and accelerators.

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<sup>1</sup> Per World Bank’s International Development Association (IDA) and priority for We-Fi

**ANNEXES**

ANNEX I	Results Matrix
ANNEX II	Budget Summary
ANNEX III	iDELTA

**APPENDICES**

Draft Resolution

**AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM**

ANNEX IV	Risk and mitigation table
ANNEX V	DICI [includes Integrity Due Diligence Analysis]
ANNEX VI	IDB Proposal to We-Fi July 2020

## **ACRONYMS AND ABBREVIATIONS**

<b>AWE</b>	Academy for Women Entrepreneurs
<b>CSR</b>	Corporate Social Responsibility
<b>ASU</b>	Arizona State University
<b>COF</b>	Country Office
<b>DICI</b>	Institutional Integrity and Capacity Assessment
<b>IDB</b>	Inter-American Development Bank
<b>IDB Invest</b>	Inter-American Investment Corporation
<b>IDB Lab</b>	Multilateral Investment Fund
<b>KPI</b>	Key Performance Indicator
<b>LAC</b>	Latin America and the Caribbean
<b>LSP</b>	Local Solutions Providers
<b>MOU</b>	Memorandum of Understanding
<b>NGO</b>	Non-Governmental Organization
<b>PA</b>	Project Assistant
<b>PES</b>	Social Entrepreneurship Program
<b>PM</b>	Project Manager
<b>RM</b>	Results Matrix
<b>SDG</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium Enterprise
<b>TC</b>	Technical Cooperation
<b>TCM</b>	TC Monitoring and Reporting System
<b>UN</b>	United Nations
<b>We-Fi</b>	Women Entrepreneurs Finance Initiative
<b>WSME</b>	Women's Small and Medium Enterprise

## PROJECT INFORMATION

### REGIONAL

#### We3A – Improving access to value chains for women entrepreneurs

(RG-T3788 / RG-T3901)

<b>Country and Geographic Location:</b>	Regional: Costa Rica, Guatemala, Nicaragua, Honduras, El Salvador, Guyana, Ecuador		
<b>Executing Agency:</b>	Arizona State University		
<b>Focus Area:</b>	Knowledge economy		
<b>Coordination with Other Bank Operations:</b>	The execution of the project will be closely coordinated with other IDB Group Departments that are executing Women Entrepreneurs Finance Initiative (We-Fi) financed projects, including IDB Invest, SLC/GDI, IFD/CMF, IFD/CTI and INE/INE. The project was prepared in coordination with ORP and IDB Invest.		
<b>Project Beneficiaries:</b>	Women entrepreneurs across the business lifecycle - from early-stage companies to mature companies - and from a variety of types of businesses, value chain focused WSMEs will be the primary beneficiaries of this program. Direct beneficiaries will be 6,400 women-led SMEs trained, and 128 WSMEs accelerated. The project will also involve men in project activities to foster support, and to create an enabling environment for women's empowerment.		
<b>Financing:</b>	Technical Cooperation:	USD 1,000,000	12%
	Equity:	-	-
	Loan:	-	-
	Other (explain):	-	-
	<b>TOTAL IDB Lab FUNDING:</b>	USD 1,000,000	-
	<b>TOTAL WE-FI FUNDING:</b>	USD 7,039,317	88%
	Co-financing:	-	-
	<b>TOTAL PROJECT BUDGET:</b>	USD 8,039,317	100%
<b>Execution and Disbursement Period:</b>	36 months of execution and 42 months of disbursement.		
<b>Special Contractual Conditions:</b>	Special conditions precedent to first disbursement will be: A project manager contracted by the executing agency.		
<b>Environmental and Social Impact Review</b>	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on August 21, 2020. Given the limited impacts and risks, the proposed category for the project is C.		
<b>Unit responsible for disbursements</b>	IDB Lab Headquarters		

## I. THE PROBLEM

### A. Problem description

- 1.1. Women continue to be underrepresented in business leadership and labor markets in Latin America and the Caribbean (LAC), especially in less developed economies such as Guyana, Ecuador, and many Central American countries. This lack of equal economic representation follows a global trend as estimated numbers show that purchases from companies headed by women represent only 1% of total contracts worldwide<sup>2</sup>. Throughout LAC existing evidence points to limited access to equitable economic opportunities in the local supply and value chains across the region, as well as in public procurement opportunities, especially in natural resource-dependent economies. The challenge of incorporating a diverse supply chain in any sector stems, in part, from difficulties in identifying and supporting women-owned businesses, as well as these businesses having limited access to finance and capacity-building opportunities.
- 1.2. Across the LAC region, there are between 1.2-1.4 million women-owned/led SMEs (WSMEs)<sup>3</sup>. However, most women owned/led businesses in LAC are unable to grow beyond microenterprises or move out of the informal economy or other lower-productivity sectors. WSMEs tend to be smaller than those led by men, with fewer employees, lower profits, and less access to capital needed to become scalable - only 4% of venture-backed businesses in LAC have a woman co-founder. Moreover, the development of high-growth, STEM-focused entrepreneurial ecosystems is still concentrated in a few economies, leaving many countries -especially those categorized as lower-income- without an adequate enabling environment necessary for high-growth WSMEs to thrive. Therefore, this TC will focus on countries considered to have nascent or emerging entrepreneurship ecosystems, as well as regular (male-dominated) value chains and support systems.
- 1.3. Compared to other regions, LAC has the third-largest credit gap for WSMEs (USD 93 billion out of a global gap of USD 1.7 trillion) with only 36% of businesses managed by women use banks to access working capital. <sup>4,5</sup>Additionally, women entrepreneurs need savings, insurance, and other financial products to strengthen their businesses. Research shows that financial capital is one of the most critical resources for growing a high-impact company<sup>6</sup>. Young companies that access outside financing can grow up to 30% faster than those that do not. However, it is difficult for entrepreneurs in nascent ecosystems, especially women, to access critical capital, limiting their ability to implement innovative developmental solutions to grow. This project will offer opportunities to access the capital WSMEs need to start, sustain, and grow their businesses with an approach targeted toward value chain integration.
- 1.4. Aside from financial and market limitations, WSMEs are currently facing an unprecedented market shock due to the COVID-19 pandemic. The most visible economic consequences are revenue loss, unexpected cost increases, unstable supply chains, financial strain, and even business closures. These impacts will be felt especially by women entrepreneurs and business leaders, many of whom are shouldering increased childcare, healthcare, and

<sup>2</sup> Vazquez, Elizabeth y Barbara Frankel. 2017. The Business Case for Global Supplier Diversity and Inclusion: The Critical Contributions of Women and Other Underutilized Suppliers to Corporate Value Chains. WeConnect International.

<sup>3</sup> For the purposes of this proposal women-owned and women-led SMEs will be referred to as WSMEs.

<sup>4</sup> IDB Lab: "[wX Insights 2020: The Rise of Women STEMpreneurs: A Study on Women Entrepreneurs in STEM in Latin America and the Caribbean](#)" January 2020

<sup>5</sup> World Bank, Inter-American Development Bank, GTZ, "Women's Economic Opportunities in the Formal Private Sector in Latin America and the Caribbean: A Focus on Entrepreneurship", 2010.

<sup>6</sup> <https://www.worldbank.org/en/topic/gender/publication/female-entrepreneurship-resource-point-introduction-and-module-1-why-gender-matters>

household responsibilities.<sup>7</sup> Restrictions in gathering and travel has also negatively impacted women's access to on-site training programs and networking opportunities. The global transition to virtual resources highlights the lack of efficient online programs for WSMEs in the LAC region, as well as the dire need for increased digital literacy and access to information. However, the crisis has also brought new opportunities for creative entrepreneurs who seek to find timely and effective solutions and provides an excellent opportunity to empower women to take advantage of current shifts through training, advising, and match-making activities specifically designed for this unique context.

- 1.5. The project will target some of Latin America's lowest-income economies and nascent entrepreneurial ecosystems, allocating 50% of the Women Entrepreneurs Finance Initiative's (We-Fi) resources to WSMEs in three countries (Honduras, Guyana, and Nicaragua). It will also emphasize C&D countries, the most underdeveloped economies per IDB Group Country Grouping, including those in Central America (El Salvador, Guatemala), and the Andean region (Ecuador). These countries are targeted given their lack of resources and support programs for women entrepreneurs. Thus, the present solution aims at contributing to fill that support gap to WSMEs. The project will mainly target women who are not yet business owners but may be encouraged to start one or study entrepreneurship after seeing examples of successful female entrepreneurs. A secondary target audience will be other stakeholders in the ecosystem, such as family members, friends, male influencers, and business-owners. The beneficiaries will be women who are still early in their entrepreneurship journey and face multiple inequalities. They will have likely been in business only a few years and will continue to establish the structure and processes of their businesses and have around ten or fewer employees. At the beginning of the program, they will likely not yet be ready to enter a value chain but will be prepared to start laying the foundation for preparing for these contracts in the future. Other beneficiaries will be WSMEs that are established businesses and have been in operation for at least five years and likely have more than ten employees. They will have robust systems of operation in place, though they may not have developed strong personal networks. The businesses are generally producing a product or service that could supply or serve a more prominent company. This could include a raw material or packaging that would be directly used in a company's supply chain or an ancillary service such as catering, janitorial services, security, IT support, interior design, or producing corporate gift items. WSMEs participating in the Accelerate component may or may not be in investable industries.

## II. THE INNOVATION PROPOSAL

### A. Project Description

- 2.1. The main objective of this Technical Cooperation (TC) is to promote the capacity building efforts, development, and growth of women-led/owned SMEs (WSMEs), with a particular focus on WSMEs that are tapping into value chains through the initiative Women Entrepreneurs **Aspire, Activate, Accelerate (We3A)** written and presented by IDB Lab and ORP/REM and **supported by** the World Bank's hosted, multidonor initiative Women Entrepreneurs Finance Initiative's (We-Fi).
- 2.2. To this end, the project has three main goals: (i) to improve WSMEs' access to value chains, (ii) to improve WSMEs' access to and use of disruptive technologies and digital financial inclusion, and (iii) promote high-growth WSMEs' access to early-stage finance. Furthermore,

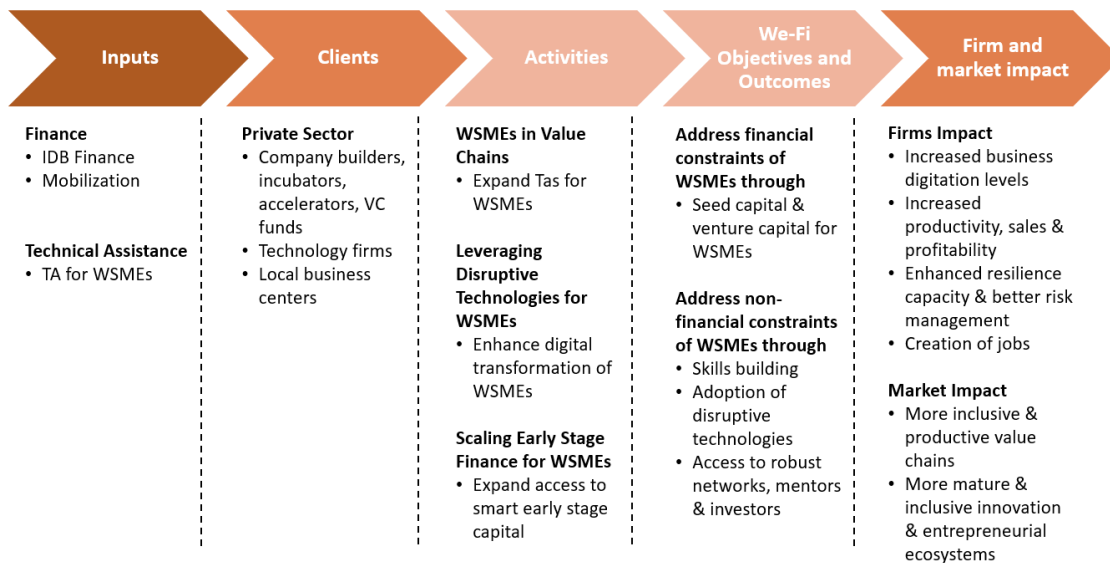
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<sup>7</sup> Moreover, the current COVID-19 crisis has further exacerbated these challenges. On one end, all SMEs and tech startups globally are expected to suffer heavily throughout the rest of 2020. The pandemic is projected to cause approximately US\$ 2.3 trillion of loss in global real GDP, accompanied by significant damages to the world value chains. This would strike developing economies the hardest, leaving their SMEs defenseless in the face of the resulting financial uncertainty and sharp reduction in consumption. Yet women entrepreneurs face additional challenges on top of this economic burden. School closures and burgeoning infection cases mean greater need for domestic work such as childcare, nursing, and homemaking - tasks that are heavily born by women in developing economies.



this project will pay special attention to mitigating post-COVID-19 economic turbulence, both by supporting WSMEs that have been negatively impacted and identifying solutions and new business opportunities, such as WSMEs that leverage disruptive technologies to innovate in health, education, and financial sectors, among others.

- 2.3. We3A will take an innovative approach to combining value chain integration for women with high quality business training delivered through a range of digital means. The project will utilize high-impact, high-engagement online learning courses that included a “business plan wizard” and personalized “action plans” that create unique, personal documents for each learner. Additionally, digital learning engagements made more widely used during the pandemic but still less common in emerging markets, such as Zoom, Facebook Live, and Tik Tok, will be adapted for a variety of training. “Edu-tainment” style videos that may mimic popular entrepreneurship television shows (i.e., “Shark Tank”) will also be developed. The project will partner with cutting-edge organizations, such as Fvck Up Nights, to tell stories of failure boldly and proudly as a method to learn resilience. In addition to the new media/new technology approaches, We3A will creatively leverage proven, existing networks, such as the State Department’s Academy for Women Entrepreneurs, Thunderbird’s DreamBuilder, and WEConnect International’s global partners, to accelerate implementation, broaden the reach of recruiting, and make a wider range of resources available to We3A participants.
- 2.4. The **theory of change** states that by leveraging the inputs of capital, technical expertise, and regional infrastructure of the IDB and its partners, combined with access to networks of private firms, buyers, and local business centers, the project will engage in several key, high-impact activities. These activities include expanded technical assistance and digital capacity building for WSMEs, building the capacity of local business centers, collecting, and utilizing data, and facilitated connections to buyers and potential financing. Through these activities, the project will address both the financial (access to capital) and non-financial constraints (missing skills/knowledge, lack of adoption of technology, and missing links to networks, mentors, and buyers) faced by WSMs. The impact on the women’s firms will be increased productivity, sales, and profitability; increased digital literacy, enhanced resilience, job creation, more inclusive value chains, and a more mature entrepreneurial ecosystem.



- 2.5. Moreover, this project will prioritize empowering women entrepreneurs to navigate the ongoing COVID-19 related economic turmoil and identify new business opportunities that may arise because of the pandemic. It will also be prioritizing WSMEs that can positively

- impact a scalable number of women and vulnerable populations, as indirect beneficiaries of this program.
- 2.6. This project will leverage networks of entrepreneurs to identify and finance innovative WSMEs that have the potential to restructure the future of the economy in the LAC region, making small and medium businesses and the economy more digitally-savvy and, therefore, more resilient in the face of future shocks and downturns. The project will partner with prior, current, or vetted business center partners that have the potential to sustain assistance to We3A beneficiaries after the program ends have a mandate to serve vulnerable populations and be in a community where value chain integration programming can take place. These centers can be direct beneficiaries if technical capacity assistance is needed to provide We3A programming. Indirect beneficiaries will include the employees benefiting from the growth of the program's targeted WSMEs. For the value chain integration assessments, direct beneficiaries will be private businesses or public entities that gain from a diversity sourcing strategy and could benefit from increased competitiveness amongst providers following We3A training.
  - 2.7. Although more evidence is needed, there are studies<sup>8</sup> that support the effectiveness of women-oriented entrepreneurship programs in the developing world, and even on the potential positive effect of e-learning and mentoring support<sup>9</sup> on WSMEs' skills and attitudes. More generally, there is also evidence<sup>10</sup> on the positive impact of accelerator programs on business performance in the Latin American context.
  - 2.8. **Beneficiaries:** We3A will target an audience of mainly low-income women who do not have a business but may be encouraged to start one or study entrepreneurship after seeing examples of women who are successful entrepreneurs. A secondary target audience will be other stakeholders in the ecosystem such as family members, friends, male influencers, and business-owners. Other beneficiaries will be women who are still early in their entrepreneurship journey and face multiple inequalities. They will have likely been in business only a few years and will still be establishing the structure and processes of their businesses. They likely have around ten or fewer employees. At the beginning of the program, they will likely not yet be ready to enter a value chain but will be ready to start laying the foundation for preparing for these contracts in the future. Finally, WSMEs that are established businesses that have been in operation for at least 5 years and likely have more than ten employees. These will have stronger systems of operation in place, though they may not have developed strong personal networks but are generally producing a product or service of some kind that could supply or serve a bigger company. This could include a raw material or packaging that would be directly used in the supply chain of a company, or an ancillary service such as catering, janitorial services, security, IT support, interior design, or producing corporate gift items. WSMEs participating in the **Accelerate** component may or may not be in investable industries.
  - 2.9. When implementing We3A, the executing agency will partner with prior, current, or vetted business center partners<sup>11</sup> that have the potential to sustain assistance to the beneficiaries after the program ends, have a mandate to serve vulnerable populations, and be in a community where value chain integration programming can take place. Specifically, We3A will work with the seven business centers currently participating in the AWE program. As well,

<sup>8</sup> Reza, M., Manurung, D., Kolmakov, V., & Alshebami, A. (2020). Impact of education and training on performance of women entrepreneurs in Indonesia: Moderating effect of personal characteristics. *Management Science Letters*, 10(16), 3923-3930.

<sup>9</sup> Kyrgidou, L. P., & Petridou, E. (2013). Developing women entrepreneurs' knowledge, skills and attitudes through e-mentoring support. *Journal of Small Business and Enterprise Development*.

<sup>10</sup> Gonzalez-Urbe, J., & Leatherbee, M. (2018). The effects of business accelerators on venture performance: Evidence from start-up Chile. *The Review of Financial Studies*, 31(4), 1566-1603.

<sup>11</sup> These are for instance institutions such as local chambers of commerce, public sector entities focusing on training women entrepreneurs, NGOs and private sector interest groups.

We3A will work closely with the IDB country offices to identify strong local partners who are already working with this population of women. The project will seek to engage these proven partners to utilize the We3A training and participate in the events. If eligible business centers meet the required conditions and other criteria, these partners could receive loans for lines of credit to WSMEs from local financial institutions receiving loans from IDB Invest. These centers can be direct beneficiaries if technical capacity assistance is needed to provide We3A programming.

- 2.10. Identifying, contacting, and reaching WSMEs will be critical to the success of the project. By partnering closely with existing business centers who already work with these populations, We3A will leverage their networks to find the women for the activities. In addition, the project will promote the opportunities for participation through other organizations, such as churches, banks, non-profits and government agencies. Recruiting may also be done by directly going to the marketplaces where women are conducting business. Advertising through radio and social media may also be used to publicize the program. Special attention will be paid to diversity and inclusion in the geographic areas where there are various populations like for example indigenous and afro descendants. For this reason, languages, and cultural contexts will be considered when implementing the project.
- 2.11. Indirect beneficiaries will include the employees benefiting from the growth of the program's targeted WSMEs. For the value chain integration assessments, direct beneficiaries will be private businesses or public entities that benefit from a diversity sourcing strategy and could benefit from increased competitiveness amongst providers following We3A training.
- 2.12. Direct beneficiaries will be 6,400 women-led SMEs trained, 160 will be enrolled in the accelerator, and 128 WSMEs will graduate. The project will also involve men in project activities to foster support, and to create an enabling environment for women's empowerment.
- 2.13. **Component I: Aspire. Building enabling ecosystems for Value-chain WSMEs** (IDB Lab contribution: USD 500,000, We-Fi: USD 1,194,882). This component aims to build an enabling ecosystem for WSMEs in the seven countries included in this project. This will be done through three main activities. First, by creating a series of entertainment-based digital programming, We3A will use storytelling to begin to promote a positive perception of women entrepreneurs in the public. Much like popular reality television shows and dramas have been able to shift public opinion, We3a will create and promote entertaining segments that portray women entrepreneurs as strong, talented, and heroic. The project will also leverage social media platforms and apps to attract younger viewers. These platforms will enable us to understand the reach of the stories through views, likes, shares, etc. The second activity in this component will create and implement targeted awareness campaigns aimed at decision makers within value chains. We3A will seek to improve the perceptions of buyers and other stakeholders of the value of investing in and buying from women. Proven techniques for these campaigns, which have had demonstrated previous impact in other countries, will be used. Program partners WEConnect International will employ (i) email marketing tactics; (ii) digital marketing campaigns on their platforms and the platforms of their partners; (iii) organic social media posts or boosted posts on key platforms such as Facebook, Twitter and Instagram; (iv) traditional PR efforts engaging with relevant gender media, and; (v) targeted training events to attract interest by offering to meet buyers or build capacity. The third activity in this component will be a series of ecosystem/stakeholder mapping assessments and COVID-19 surveying. WEConnect will begin with desktop research, which will include working closely with the IDB to collect and analyze research previously conducted. They will also interface with potential partner organizations working with women-owned businesses or in the gender and inclusive sourcing domains to identify WSMEs. These women will be

approached through both digital means, such as email surveys and social media reach, and analog means, such as one-on-one interviews with potential local partners, existing WEConnect member buyers, potential buyers in the market and women-owned businesses reached through their network connections. These data-gathering activities will help to set the benchmark of the program to fully understand the current ecosystem and the impact of Covid-19. All activities in the *Aspire* component will be focused on the part of the companies where the awareness effect will have the most impact on business decisions.

- 2.14. We3A target countries have relatively few WSMEs and those that do exist tend to be at the microenterprise level that cannot integrate into sector value chains (especially in Central America and Guyana). Often business ownership is not seen as appropriate for women and therefore many women and girls may not consider it to be a viable career path<sup>12</sup>. Institutions such as banks, investors, local public entities, and companies may not include a gender lens in their lending and procurement policies, which can lead to furthering inequalities and not adapting services to fit women's specific needs. To help promote more positive perceptions, the project will help to create an environment that enables and encourages female entrepreneurship, assesses private and public market opportunities for WSMEs integration, and looks for private sector partners and financial institutions to provide an ecosystem-approach that extends financial opportunities for WSMEs.
- 2.15. First, We3A will increase the visibility of successful WSMEs by telling their stories in popular culture and entertainment. There is evidence<sup>13</sup> of the positive effect of personal exposure to role models on micro-entrepreneurs' business results, although the effect of massive and more general stories might be more limited. The program will develop stories in an entertaining style aimed at incentivizing women entrepreneurship and highlighting women as successful business owners.<sup>14</sup> The goal of these stories is to promote a positive perception of women's entrepreneurship, both to encourage more women to consider becoming entrepreneurs and to encourage potential buyers to do business with women. Stories will be developed in partnership with local partners. Care will be taken to include a diversity of stories, including a range of ages, non-traditional sectors for women, indigenous women, and WSMEs who have recovered from COVID-19 related economic hardship. By working with local partners who routinely work with this population, the project will identify the women to be featured in the stories.
- 2.16. The second ***Aspire*** activity will be to execute seven targeted awareness campaigns (one per country) to educate business, local public institutions, and financial leaders about the capabilities of women, the biases they face, and the opportunities that come with investing in them. As part of these campaigns, workshops will be held for 340 buyers and other key stakeholders to encourage them to adopt new purchasing protocols that include buying from WSMEs. These workshops will be operated by WEConnect International and will utilize their proven approach to explaining and quantifying the business opportunity for the buyer when a company includes women in their value chains. In the past five years, WEConnect has expanded to 15 different countries, most of them without an existing local network. With the support of the World Bank Group, The US State Department, and private corporations such as Johnson & Johnson, WEConnect International has completed ecosystem mapping and awareness building activities in a wide range of markets that include Bangladesh, Japan, Pakistan, Peru and Belgium, thereby helping progress to be made towards gender inclusive sourcing practices. We3A will share these digital workshops and the training materials with

<sup>12</sup> ODI (2015). Social norms, gender norms and adolescent girls: a brief guide. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9818.pdf>

<sup>13</sup> Lafortune, J., Riutort, J., & Tessada, J. (2018). Role models or individual consulting: The impact of personalizing micro-entrepreneurship training. *American Economic Journal: Applied Economics*, 10(4), 222-45.

<sup>14</sup> To inspire other women and create awareness, We3A will share the stories based on the stories of the women who participate in the second and third components of this program, as well as in the WeXchange chapter competitions. The program will also engage with local high schools and colleges to share the stories in their communications or career centers.

local business centers so that they may also hold workshops for local business and public entities, and industry and financial leaders on the business case for developing gender lens investing or diversity sourcing initiatives.

- 2.17. The third **Aspire** activity will be to assess private and public market opportunities for value chain integration to understand market gaps and lay the groundwork to support the WSMEs for value chains under the **Activate** component (Component 2). Seven ecosystem/stakeholder mapping assessments will be conducted (one per country) at the start of the project. Additional Covid-19 surveying of WSMEs will be done across all countries annually to track the current and future impact of Covid-19 on their businesses. The mapping assessments will be completed at the beginning of We3A and will be used to inform the development of all the elements in the project.
- 2.18. **Expected results** for this component include 10,500 women and men entrepreneurs viewing at least one "woman in business" short story devised with the local business centers and vocational education centers and that will report positive perceptions towards women in business (measured through social media indicators such as likes and shares). Additionally, at least 60 businesses will integrate new protocols on diversity sourcing or gender lens investing.
- 2.19. **Component II: Activate. Developing early stage WSMEs to promote better access value chains.** (IDB Lab contribution: USD 500,000, We-Fi: USD 2,678,297). This component will provide early-stage women businesses with training and other resources that will help them to launch their businesses, keeping in mind market opportunities for strategic value chain integration identified in the **Aspire** component and increase their digital capabilities to better adapt to a post-pandemic market.
- 2.20. We3A's primary channel for delivering business skills courses to promising new entrepreneurs will be DreamBuilder (an innovative online training program for women entrepreneurs that provides over 25 hours of instruction and can be accessed through computers and other digital devices as well as an off-line version for areas that lack internet connection). This program uses engaging games, activities, and a telenovela embedded in the program to maintain the long-term engagement of the learner, increasing the completion rate. The videos also incorporate the realities of work-life balance that women face while providing guidance on how to manage these issues. DreamBuilder also includes an innovative embedded business plan "wizard" inside the program that has the learners creating a full business plan while taking the courses. The women then complete the program with a draft of a business plan in-hand, which is often a challenging outcome to achieve in other programs. The business plan will also be used by the local partner implementing the program as a tool for continuing to work with the WSME and to help pursue funding. We3A will leverage DreamBuilder by offering participants two additional advanced on-line courses: "Financing Your Dream," access to capital training courses (already developed), and a new course on accessing value chains, which will be developed for this project. In both programs, embedded wizards provide the learner with a customized "action plan" at the end of the course. These documents give the learner clear, actionable paths to take after the training is completed, helping to ensure that the training is being acted upon.
- 2.21. We3A will partner with local business centers in each country to provide the call for WSMEs subscription to DreamBuilder and manage additional tailored training events and courses, including assistance on becoming digital-savvy and adapt to a post-pandemic market. We3A will partner with the U.S. Department of State's Bureau of Educational and Cultural Affairs' (ECA) Academy for Women Entrepreneurs (AWE) program, working with the seven existing business centers already using DreamBuilder. In addition, at least one additional new business center will be selected and trained in each country to offer DreamBuilder and other

training. In Guyana, the IDB Group will partner with the Women's Chamber of Commerce and Industry Guyana (WCCIG). Leveraging existing DreamBuilder marketing materials and best practices identified from ten years operating the online program will ensure that the program will be able to enroll the targeted number of women. We3A will work with local business center partners to access whether the applicants are the correct fit for the program (i.e. literacy, stage of business).

- 2.22. After the beneficiaries have completed the DreamBuilder courses, local business centers will also provide WSMEs with access to a range of workshops and webinars. These workshops will include topics, such as (i) accessing strategic value chains, (ii) using digital tools for organizational efficiency, (iii) how to access and pursue capital, and; (iv) building resilience in a post-pandemic market. Thunderbird, working with WEConnect International and other potential knowledge partners, will develop these training sessions and work with local business center partners to build their capacity to execute them.
- 2.23. WEConnect International<sup>15</sup> will hold stakeholder round tables in each country, reaching at least 140 stakeholders, educating them on the benefit and best practices for buying from women. These stakeholders will be identified through leveraging existing contacts in the WEConnect, Thunderbird, and local IDB networks. Top buyers and companies in the region will also be identified and invited to participate in the round tables. WEConnect will also provide advanced training sessions for buyers on how to buy from WSMEs. WSMEs participating in the **Activate** component of We3A will be encouraged to participate in the WEConnect self-registration process to open them to its global online network and seek to formally register them as WSMEs.<sup>16</sup>
- 2.24. Through the We3A program, IDB Invest can potentially lend US\$5-10 million to local financial institutions that on-lend these resources to expand their support to WSMEs. The IDB Invest financing will be contingent on the financial institutions meeting the IDB Invest terms and conditions for corporate governance, due diligence, and other applicable requirements. By supporting We3A, IDB Invest expects to help identify financing opportunities for women SMEs with the potential to export or to position themselves in local and international value chains. For those women who are still in the early stages of entering value chains and may not be ready for loans, the project will set aside some funding for developing a pitch competition at their local business centers to expand their business and financing opportunities.
- 2.25. In all **Activate** component activities, special consideration will be given to recovery and regrowth post-COVID-19. We3A will recruit businesses that were adversely impacted by the pandemic. The training workshops' content will address specific recovery needs and how to recognize and pursue new market opportunities post-pandemic. It will also adapt to remote, or in-person advisory meetings as needed.
- 2.26. **Expected results** for this subcomponent include at least 6,400 women enrolled in DreamBuilder 25–30-hour online training program with 40% completion rate and a business plan created (2,560 women); of these 2,560 women, 35% (896) will report increase in sales, 25% (640) will access to new finance, 10% (256) will hire new employees which will represent 384 new employees, and 15% (384) will formally register their business. Additionally, it will build the capacity of at least 7 local business centers to provide DreamBuilder training. At least 52 workshops/webinars will be held with local business centers on topics such as strategic value chain integration, post-COVID-19 market opportunities/ and how to become

<sup>15</sup> [WEConnect International](#) is a global network that connects women-owned businesses to qualified buyers around the world.

<sup>16</sup> This component builds on the partnership established with WEConnect as part of IDB Group's WeForLAC program (funded by We-Fi Round 2) that provided training on how WSMEs could access public and private procurement opportunities.

digitally-savvy and build resilience, with 8,560 WSMEs participating in such webinars and 3,072 will report digital-savvy skills increase.

- 2.27. **Component III: Accelerate. Support WSMEs with high-growth potential for growth and scaling STEM-based WSMEs into regional and international businesses (Accelerate):** (IDB Lab contribution: USD 0; We-Fi: USD 2,898,645). This component aims to include at least 160 WMSEs enrolled for the 6-month accelerator program that consists of 96 hours of training.
- 2.28. For value chain WSMEs, this component will provide a six-month virtual, cohort-based accelerator experience. We3A will bring together six cohorts of women across the target countries. Recruitment for the accelerators will include: (i) leveraging the established network developed by Thunderbird for the “WeAmericas Accelerator,”<sup>17</sup> program; (ii) contacting DreamBuilder graduates through the online platform; (iii) working with local business centers to promote the opportunity; (iv) outreach to graduates of the AWE and Young Leaders of the Americas programs, and (v) holding info sessions about the program at local business centers.
- 2.29. Four of these cohorts will be taught in Spanish and each one will include 30 women from the six Spanish speaking countries. Two cohorts will be taught in English and will consist of two groups of 20 women each from Guyana. Training will focus on gaining access to corporate value chains, leveraging capital to grow, developing digital competency, learning to be resilient, rebuilding post-COVID-19, and identifying new business opportunities. During the six-month program, the women will be preparing for a final pitch of their businesses in front of a panel of financial institutions, investors, and purchasing agents. 50% of the total accelerator spots will be given to women from Honduras, Nicaragua, and Guyana.
- 2.30. The project believes that finding enough women in each country for the accelerators will be possible based on the similar accelerator Thunderbird implemented in these countries through the State Department’s WEAmericas Accelerator program. In addition, We3A will promote the program to graduates of the Young Leaders of the Americas program, the Academy for Women Entrepreneurs program, and other programs in the region. While we do not expect it an issue, should We3A be unable to locate enough women from a specific country, the project would fill the spots with women from the other countries in the project, with the intent to make up the shortfall in later cohorts. The project will also work to keep the 50-50 IDA/non-IDA split in participants overall.
- 2.31. After the six cohorts have completed their program, all past accelerator graduates will be invited to attend a final close-out conference that will provide advanced training and networking opportunities to the entire accelerator community.
- 2.32. Special consideration will be given during the recruitment and selection process to identify women who have been adversely impacted by COVID-19 for inclusion in the accelerators. This will be assessed through the application and interview process. Curriculum will be developed that focuses on the specific skills women will need to enter or re-enter value chains in a post-COVID-19 world. This will include rebuilding previous customer relationships, re-establishing trust, new human resources strategies, identifying new business opportunities, developing contingency plans for future major disruptions, developing digital competencies, and building resiliency.

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<sup>17</sup> “WE Americas Accelerator” is funded by the U.S. Department of State and currently operated in Central America by program partner Thunderbird. The We Americas program concluded its four-year run in September 2020 but left behind the curriculum, design, network of investors and experts, and alumni that We3A can leverage.

- 2.33. All participants in Accelerate will be encouraged to register on the WEConnect self-registration platform. Additionally, at least 29 and up to 85 of the graduating WSMEs from Accelerate will be able to be certified by WEConnect free of charge to the women. Certification is an intensive process to document that a woman's business is at least 51% owned and operated by women. WEConnect will also provide matchmaking services between the WSMEs who are established and poised to expand and local buyers.
- 2.34. Participants may have the opportunity to access capital through IDB Invest's financial inclusion program. Through the We3A program, IDB Invest can potentially partner with local financial institutions that on-lend these resources to expand their support to WSMEs. The IDB Invest financing will be contingent on the financial institutions meeting the IDB Invest terms and conditions for corporate governance, due diligence, and other applicable requirements. By supporting We3A, IDB Invest expects to help identify financing opportunities for women SMEs with the potential to export or to position themselves in local and international value chains.
- 2.35. **Expected results** include at least 160 women enrolled for the 6-month accelerator program, - of these enrolled, 80% (128 women) will graduate from the program; of those graduated, 64 WSMEs will report increase in sales, 26 WSMEs will increase in employee hires which represents 102 new employees hired; 40 WSMEs will access new capital. This data will be collected through interviews and surveying of the participants. Additionally, the program aims to register all graduates to the WEConnect International platform and at least 18% (29) will be certified as WSMEs.

## **B. Project Results, Measurement, Monitoring and Evaluation**

- 2.36. The key outcome indicators of the project are included in the Results Matrix in Annex I.
- 2.37. IDB Lab has defined the relevant indicators and data sources for the operation's results matrix (RM) in the TC Monitoring and Reporting System (TCM) in Convergence, and will report annually, until the operation is closed, registering in TCM's Findings and Recommendations section major factors affecting the progress and results of the operation. The results matrix includes baseline and target values for each indicator and will be monitored throughout project implementation.
- 2.38. **Monitoring System & Data Collection:** The results matrix presented in Section VI will guide We3A-level efforts of monitoring and data collection. Table 7 summarizes the expected dates and key milestones. To ensure consistency of data collection practice and the ability to compare metrics across projects, monitoring specialists will be contracted to support a We3A-wide monitoring system through the following activities: (i) consultant time for monitoring, evaluation and reporting of the We3A portfolio; (ii) capacity building and technical support for local executing agencies and clients; and; (iii) housing of all We3A program data and progress to allow aggregate roll-up and reporting on results. Following the IDB Group's Development Effectiveness Frameworks (DEF), relevant indicators and data sources will be defined during the direct investment operations design and included in the respective results matrix of each investment project. The results matrix includes baseline and target values for each indicator and will be monitored throughout project implementation. Based on the results matrix, a project completion report will highlight the main lessons learned and achievements. For technical assistance activities not connected directly to an investment operation, the project team will request detailed yearly accounts from all partner organizations including Thunderbird, WEConnect, the various business centers, incubators, company builders, and accelerators to monitor relevant indicators.



- 2.39. The program offers several opportunities to gather information that will allow for monitoring and evaluation of the project's outcomes. The executing partners Thunderbird and WEConnect will collect data throughout the program on demographic data, business performance data (change in sales, change in employees, a new business started), behavior change data (starting to pay oneself a salary, starting to track sales and expenses, applying for a loan, acquiring a mentor), and changes in confidence. WSMEs will also be surveyed bi-annually to gauge growth. Under mutual agreement with clients and with the support of monitoring consultants, data will be collected for 12 months after the end of program implementation to capture impacts on employment generation and profits. At the aggregate level, and given the detailed data collection process, it will be possible to disaggregate the indicators by country, urban/rural area, economic sector, and firm size.
- 2.40. **Knowledge management.** The data produced by the project will be collated and systematized in a knowledge management product, showcasing the stories of the WSMEs participating in the project, their experiences and the lessons learned. In alignment with the strong digital nature of the project, this knowledge product will have multiple online components, which will ensure availability, longevity, and shareability of the information. The ecosystem and Covid-19 mapping assessments developed within the project will be shared with IDB countries offices and local partners during and after the project to maximize use. As well, a final study will be produced to capture best practices. A final event organized together with local and international partners to leverage the experiences and strengthen the impact and replicability of the project and its methodologies will be held. The final event will offer a virtual track to increase inclusivity and reach; it will be recorded to also be available beyond the single day of the event.
- 2.41. **Program Evaluation:** An overall program evaluation will be undertaken to better understand and widely disseminate the impacts of We3A. In addition, several studies and evaluations will be produced to learn, document, and disseminate the different impacts that We-Fi funds are bringing. First, and most importantly, non-causal - both quantitative and qualitative - rigorous studies (e.g., case studies, focus groups, semi-structured interviews, pre-post surveys of beneficiaries) will be conducted to generate evidence for innovative areas where small sample sizes, or the impossibility of creating a credible control group preclude a more rigorous causal approach. Evaluations using experimental or quasi-experimental methodologies could be undertaken where there are sufficiently large sample sizes (number of beneficiaries), when data collection through platforms is facilitated to reduce evaluation costs, and the possibility of identifying a causal relationship is clear. In general, some relevant questions to be answered by evaluations and studies during the implementation of this TC will be: (i) what is the impact of training and support programs on WSMEs value chain integration? Are there any specific aspects of training content that are more relevant to support this integration? (ii) What are the challenges and opportunities to integrate diversity sourcing and gender lens investing in companies? (iii) What is the role of certification to facilitate WSMEs access to markets? or (iv) How do targeted campaigns influence women entrepreneurs' perceptions and business decisions, among others. Prioritization and implementation of studies will be conducted by the Project Team with the support of the relevant technical divisions of the IDB Group.<sup>18</sup>

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<sup>18</sup> The Development Effectiveness Division at IDB Invest will provide support on this topic as part of an SLA agreement.

### III. ALIGNMENT WITH IDB GROUP, SCALABILITY, AND RISKS

#### A. Alignment with IDB Group

- 3.1. The technical cooperation is consistent with the IDB Institutional Strategy Update and responds to the Bank's Operational Policy on Gender Equality in Development, which calls on the Bank to promote greater gender equality and empowerment. This TC is also aligned with the Corporate Results Framework. More specifically, it is aligned with the indicators to measure women's benefits through economic empowerment initiatives and an indicator that measures the number of projects that support gender equality. The project relates directly with the objective to support expansion of new and better performing SMEs - through the facilitation of enhanced use of technology, with the goal to stabilize climate change. It is also designed to improve factors related to climate change and environmental sustainability; a cross-cutting issue defined in the Update to the Institutional Strategy 2016-2019. The project hopes to contribute to two of the three major development challenges in the region: (i) social exclusion and inequality, and; (ii) low levels of productivity and innovation. The project is also aligned with the IDB Group's cross-cutting themes of promoting gender equality and diversity with the IDB Gender Action Plan and supporting small and vulnerable countries. The project is aligned with the IDB Lab gender action plan as it aims to empower women in business and harness their ability to lead, innovate and grow businesses. The IDB Lab and the project partners will also seek synergies and coordinate with the IDB program "Creciendo Juntas en las Americas".
- 3.2. The project is also aligned with the IDB Country Strategies for the seven participating countries, including the IDB Country Strategy for Guatemala 2017-2020, the IDB Country Strategy for Nicaragua 2012-2017, and the IDB Country Strategy for Ecuador 2018-2021, which among the strategic objectives include to promote Gender Inclusion, rural development dialogue and value chains, reduce the poverty rate of the rural population dedicated to farming and climate change adaptation and the use of environmentally sustainable agricultural practices.
- 3.3. **IDBG Institutional Strategy.** The IDB Group has been supporting projects that moved the region forward to address the challenges posed by technology and digital revolution and reach their potential as a driver of innovation. In this sense, the Program is consistent with the "2010-2020 Institutional Strategy Update: An Alliance with Latin America and the Caribbean to Continue Improving Lives" (UIS) (AB-3008) and the Corporate Results Framework (CRF) 2016-2019 (GN-2727-6), aligning directly with the challenge of developing "productivity and innovation" through the maintenance of investment in innovation in startups and contributing to the goal of providing adequate knowledge and innovation ecosystems that can enable the creation of new and more sophisticated SMEs and make invention the driver of growth.

#### B. Alignment with Country Strategies

- 3.4. Furthermore, this project is aligned with the Country Strategies of the participating countries to contribute to the goal of: (i) increasing SMEs access to finance and to the reduction of the financing gap women entrepreneurs face when trying to raise capital, and; (ii) fostering the creation of new business models that create more efficient and inclusive product and services based on the use of technologies, benefitting SMEs.
  - 3.4.1. **Costa Rica ([GN-2977](#)):** Alignment with the Priority Area "Productivity gains and narrowing of production gaps", in particular with actions to improve intermediation of financial resources for productive investment, fostering new business models that

- create more efficient and inclusive products and services based on the use of digital technologies (fintech), benefiting SMEs and the most underserved segments.
- 3.4.2. **El Salvador** ([GN-2828](#)): Alignment with the Crosscutting Issues of “Empowerment of women and gender equality in education” as well as “Productive development with an emphasis on financial inclusion and business climate”.
  - 3.4.3. **Guatemala** ([GN-2899](#)): Alignment with the Priority Area “Private sector development”, specifically with interventions to improve access to financing for MSMEs, through anchor companies and/or financial institutions, and also to promote value chains, access to credit, entrepreneurship, and productivity initiatives.
  - 3.4.4. **Guyana** ([GN-2905](#)): Alignment with the Priority Area “Improvement of the Business Climate” and specifically with the strategic objective of supporting the business climate by fostering access to finance.
  - 3.4.5. **Honduras** ([GN-2944](#)): Alignment with the Priority Area “Expansion of sustainable production opportunities” (related with increased access to capital for SMEs) as well with the Crosscutting Issues of (i) women’s empowerment and diversity; and (ii) innovation and use of new technologies to achieve greater relevance and efficiency in interventions.
  - 3.4.6. **Nicaragua** ([GN-2683](#)): Alignment with the rural development dialogue, value chains and the crosscutting issue of gender and diversity.
  - 3.4.7. **Ecuador** ([GN-2924](#)): Alignment with the Priority Area “Access to Finance” for MSMEs as well as financial inclusion with a gender approach.
- 3.5. The project complements the United Nations Sustainable Development Goals (SDG), centered on achieving economic resilience, while sustaining strong social services and basic rights. In addition, the project supports the goal of Gender Equality (SDG 5). especially in enhancing the use of innovative technology, information, and communications technology, to promote the inclusion and economic empowerment of women. Specifically, the project is aligned with the SDG 5.5 objective to “ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life” and SDG 5.B to “enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women”. Additionally, the project complements the SDG 8 of Decent Work and Economic Growth) by supporting entrepreneurship activities and innovation (SDG 8.3), and, also, SDG 10 of Reducing Inequalities by empowering and promoting the social and economic inclusion of WSMEs (SGD 10.2).

### C. Scalability

- 3.6. To enhance the potential of this effort and amplify its overall impact, a robust coalition of strategic partners will be assembled for the coordination and implementation of We3A. These actors, most of which are in the private sector like larger multinational companies but also in some cases the public sector such as ministries, bring to the table strong subject matter expertise, as well as proven results in supporting women entrepreneurs in the local/regional contexts of target countries.
- 3.7. Scaling will be accomplished in three ways:(i) The DreamBuilder program is made available for free, globally. We3A will invest in developing a new DreamBuilder module in both English and Spanish that will be made available by Thunderbird and DreamBuilder owners Freeport-McMoRan Inc. on the entire platform. The new course will be available across the entire Latin American region indefinitely. DreamBuilder reaches on average 15,000 people per year. It will also be available to any partners in the “Academy for Women Entrepreneurs” program offered by the U.S. Department of State. During the life of We3A, it is anticipated that at least an additional 10,000 women will access the value chain course developed by We3A. Post-project, it is estimated that an additional 5000 people a year will access the course. Program

partners in AWE, Thunderbird's partners and any IDB local partners will be made aware of the availability of the program ongoing; (ii) We3A will build the capacity of local business centers to deliver a catalog of new training courses. These centers will have ongoing access to these materials, as well as the Aspire videos, to use into the future, beyond the program. Moreover, the centers will have developed new relationships with local buyers that will continue to benefit the future women they serve. Even after the project has completed, the local business centers will be able to continue to use the workshops and DreamBuilder to continue to train WSMEs; (iii) We3A will partner with other large organizations to share resources and lessons learned about the project through a post-program report. This will expand the reach of the materials created by the project and the knowledge gained.

- 3.8. The potential for private sector-led scaling is significant. The project has already received interest from MasterCard to explore what resources they can contribute. This includes additional financial services and access to financial products that are not currently included in the project. The project will continue to explore additional partnerships with the private sector throughout the program. Additionally, We3A will provide a proof of concept that investing in women in the supply chain is good business. By documenting and sharing these outcomes, it will encourage other future businesses to also look to including more women in their value chains.
- 3.9. The project will be sharing learnings with multiple stakeholders through a post-program report. The lessons will be made public and shared across industries through various communication channels. Many companies are grappling with value chain integration and resilience challenges and if this project can prove how women's wider participation is a solution to these challenges, others will follow.

#### **D. Project and Institutional Risks – See Risk and Mitigation table in Annex IV.**

- 3.10. **Project External Risks:** Potential external risks outside of the control of the project are natural disasters such as hurricanes, earthquakes, invasive pests and crop diseases, droughts, and floods. All these risk factors affect both the quantity and quality of products produced by the WSMEs.
- 3.11. **Institutional Risks:** Price fluctuations of products, commodities or other inputs are potential risks to the business performance of the participating firms. These risks will be mitigated by improving and stabilizing the quality and productivity of the firms by including women in productive activities and decision making.
- 3.12. There are other potential social risks associated with this project, like for instance increased incidence of gender-based and domestic violence related to women's empowerment. This is an area in which all the project partners have expressed a significant attention and will use all available internal and external expertise to put in place preventive risk mitigating activities to avoid such unintended but devastating side-effects.

#### **IV. INSTRUMENT AND BUDGET PROPOSAL**

- 4.1 The project has a total cost of USD 8,039,317 of which USD 1,000,000 (12%) will be provided by the IDB Lab, and USD 7,039,317 (88%) by We-Fi, which addresses financial and non-financial constraints faced by women entrepreneurs and women-owned/led SMEs. We-Fi is a collaborative partnership among 14 governments, 8 Multilateral Development Banks, and other public and private sector stakeholders, hosted by the World Bank Group. The World Bank Group acts as the Trustee of the partnership resources. The financial instrument will be a non-reimbursable grant.

- 4.2 In July 2020, the IDB Group submitted a funding request proposal to We-Fi for the financing of the “Women Entrepreneurs Aspire, Activate and Accelerate” (We3A). The financing was approved for the total amount of USD 14,715,756 to be executed by the IDB Lab and IDB (INE/INE), including USD 7,039,317 for activities proposed by this document, which will be executed by IDB Lab. This document is aligned with the We3A approved proposal and is complemented by the project **RG-O1692 / RG-T3833** that describes We3A activities regarding STEM focused WSMEs.

Project Categories	IDB lab (USD)	We-Fi (USD)	Total (USD)
Component 1: Aspire	500,000	1,194,882	1,694,882
Component 2: Activate	500,000	2,678,297	3,178,297
Component 3: Accelerate	-	2,898,645	2,898,645
Evaluation	-	267,493	267,493
<b>Grand Total</b>	1,000,000	7,039,317	8,039,317
<b>% of Financing</b>	12%	88%	100%

## V. EXECUTING AGENCY (EA) AND IMPLEMENTATION STRUCTURE

### A. Executing Agency Description

- 5.1. Arizona State University is the main executing agency of the project, established in the state of Arizona, USA, and will sign the Technical Cooperation agreement with IDB Lab. Thunderbird School of Global Management (“Thunderbird”) is a unit within the Arizona State University Knowledge Enterprise, it will manage, execute the project and train the business centers and organize the accelerator programs with local entities, contracted by IDB Lab, such as Chambers of Commerce and other business centers, and in coordination and oversight by IDB Lab and the IDB country specialists. Thunderbird will also develop the value chain curriculum and will provide access to their DreamBuilder program. Thunderbird was selected due to their proven expertise in developing women’s entrepreneurship programs in the region, the previous experience working with the IDB on other projects, and their selection by the U.S. Department of State (ECA) as the curriculum providers for the Academy for Women Entrepreneurs. Thunderbird has provided entrepreneurship education to over 185,000 women entrepreneurs over 110 countries.
- 5.2. We3A will offer Thunderbird’s DreamBuilder curriculum and platform in the Activate Component. DreamBuilder was developed and is implemented globally by Thunderbird. The development of the 25+ hour training program was fully funded by grants from Freeport-McMoRan Inc. Over \$11 million was invested to develop the 12 course Spanish program, the 13 course English program, off-line versions in both languages, a stand-alone access to capital module, a suite of implementation and marketing tools, and supporting resources. We3A will receive access to all these elements for free as Thunderbird’s contribution to the project. DreamBuilder was initially developed especially for the Latin American context and was later expanded into English. It is a critical component of the We3A project. Thunderbird partners with the Academy for Women Entrepreneurs, which operates in all seven countries served by We3A. The project will leverage this existing local presence to quickly implement the We3A program in the AWE business centers in the region. Additional local business centers in each country will be identified and onboarded. Thunderbird will develop the capacity of these centers to offer DreamBuilder and other training.
- 5.3. For the Accelerate component, Thunderbird will leverage the curriculum, best practices, and Central American networks developed through their work in the \$2.3 million WeAmericas Accelerate project they executed for the U.S. Department of State. This four-year project

completes in the spring of 2021, providing seamless momentum into We3A for recruiting and connecting WeAmericas graduates in the region to We3A beneficiaries.

- 5.4. The IDB Group has worked previously with Thunderbird on the large scale “Strengthening Women Entrepreneurs in Peru” initiative as well as other engagements. Through their previous programs and partnerships, Thunderbird has built extensive relationships with local organizations in Latin America and the Caribbean building the capacity of organizations such as the business centers and other local service providers. Thunderbird has designed and operated the WE Americas Accelerator in Central America for the last 4 years. This women’s entrepreneurship project created a network of local organizations and investors in the region that will be utilized to recruit participants and provide access to resources for the women. We3A will also leverage the WE Americas curriculum and best practices for the Accelerate component of We3A. Lastly, the network of women graduates from WE Americas will be engaged to help in recruiting, mentoring, and subject matter expertise for We3A.
- 5.5. WEConnect will be subcontracted by Thunderbird to contribute with their extensive relationships with local organizations and businesses in Latin America and the Caribbean and their recognized ability to connect businesses with value chains and enhancing their growth and viability. WEConnect was selected for this project due to their widely recognized expertise in helping women SME’s enter value chains globally. They work with over 100 large global buyers that represent over \$1 trillion annual purchasing power. WEConnect supports women business owners in over 120 countries and provides local training and certification in 46 countries. WEConnect is participating in the IDB Group’s most recent award from We-Fi and is also a current partner of Thunderbird on the WeAmericas Accelerator program.

## **B. Implementation Structure and Mechanism**

- 5.6. Thunderbird will establish an executing unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. Thunderbird will also be responsible for providing progress reports on project implementation.. Thunderbird will have a dedicated project manager who will oversee the activities and results from each country and who will send the necessary information to the IDB Lab project team to complete the annual TCM project report, by the required annual closing date. The project manager will coordinate with the network of local partners contracted by the IDB to ensure that the capacity is built in these organizations and project deliverables are met. The PM will also oversee the subcontracted work with WEConnect and Bluedrop Performance Learning. Thunderbird will have a regionally based coordinator who will provide the on-the-ground training and support to the local partners as well. An instructional designer at Thunderbird will work for the project manager and will be responsible for ensuring that the new curriculum elements are designed, tested, and applied. Additional support for the project will come from the Thunderbird for Good executive team.

## **VI. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS**

- 6.1. The Executing Agency will commit to the IDB Lab's standard arrangements regarding disbursements for results, procurement policies and financial management applicable to the private sector, consistent with the provisions of the Financial Management Guide for Projects Financed by the IDB (OP-273-12) version 12 June 2019 and what is specified in the “Management Guide for Milestones and Financial Supervision for IDB Lab and PES Technical Cooperation”. The risk level because of the Institutional Integrity and Capacity Assessment (DICI) was low, showing that Control Union has an acceptable financial management system for the IDB Lab and has a monitoring and accountability structure for the presentation of its Institutional Financial Statements before the Bank. Project disbursements will be conditional on verification of compliance with the milestones, according

to the means of verification agreed between the executing agency and the IDB Lab. Compliance with the milestones does not exempt the executing agency from responsibility for achieving the agreed results.

- 6.3. Unless the Bank determines otherwise during execution, the executor's policies will be used to carry out the procurement and contracting. An annual planning of the necessary procurements for the execution of the Project and fulfillment of the milestones will be presented, along with the Annual Operational Plan. IDB Lab will review the technical aspects of procurements that, in its opinion, require ex ante modalities, particularly those considered critical.
- 6.4. The executing agency must prepare and provide to the Bank its annual financial statements. With resources from the Contribution, the Bank may review the financial statements and make reviews of the use of the resources applied to the Project, verifying financial practices and procurement.

## **VII. INFORMATION DISCLOSURE AND INTELLECTUAL PROPERTY**

- 7.1. **Information Disclosure.** This document contains confidential information related to one or more of the ten exceptions to Access to Information Policy and will be initially treated as confidential and made available only to Bank employees.
- 7.2. **Intellectual Property.** The Executing Agency shall own the intellectual property rights to all works produced or results obtained under the Project. The Executing Agency will grant the Bank an irrevocable, world-wide, perpetual, royalty-free, and non-exclusive license to use, copy, distribute, reproduce, publicly display, and perform all intellectual property derived from execution of the Project, as well as to create derivative works. The Bank may grant sub-licenses to third parties without the need for new authorizations or licenses from the Executing Agency. The Executing Agency shall represent and warrant to the Bank that execution of the Project does not and will not infringe the rights of third parties, and it must do everything necessary to ensure that the Bank is able to exercise the rights set forth herein, without limitation. The Executing Agency shall release and indemnify the Bank, its staff, sub-licensees, and/or consultants from any actions which could be initiated against them in the exercise of the rights licensed to the Bank. The Bank may disseminate, reproduce, and publish any Project-related information and include with such information the name and logo of the Executing Agency.